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Pakistan wants Soviet friendship

LAHORE, Pakistan (R) — President Mohammad Zia Ul Haq said Sunday Pakistan wanted "most cordial" relations with the Soviet Union, whose military intervention in neighbouring Afghanistan it strongly opposes. "The Soviet Union is not only a next-door neighbour to Pakistan but also a big power and Pakistan fully realises its importance," the president said. He was speaking at a ceremony in which he laid the foundation stone of a tractor plant being built near Lahore in a joint venture between a Pakistani company and a Soviet foreign trade organisation. In a speech at the same ceremony Soviet Ambassador Vitali S. Smirnov said Moscow did not attach any political conditions to economic cooperation with Pakistan. "Traditional Soviet policy towards all Muslim peoples has been that of friendship and cooperation," he declared.

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Saleh due here on Feb. 20

AMMAN (R) — President Ali Abdullah Saleh of North Yemen will visit Jordan for five days from Feb. 20. North Yemeni embassy officials said here Sunday. He will discuss with His Majesty King Hussein and senior government officials coordination of Arab positions on the latest Middle East developments, the officials added. Both leaders will review efforts already made to remove obstacles in the way of resuming the Arab summit conference in Fez, Morocco, the officials said. President Saleh's Jordanian visit is part of a tour which will also take him to Gulf Arab states.

Fighting breaks out in South Lebanon

SIDON, South Lebanon (R) — Gunfights broke out in a South Lebanese village Sunday when armed men attacked the house of an official of the Shiite militia organisation Amal, local residents said. Shooting was heard in the village of Bissariye, south-east of Sidon, and the residents said it came from gunmen of the Organisation for Communist Action in Lebanon (OCAL), one of several left-wing groups which have clashed with Amal in recent weeks. No serious casualties were reported. The incident followed a brief artillery duel in the nearby village of Ansar Saturday night, also between Amal and leftist groups.

Iraq asks Egypt to support conference

CAIRO (R) — Iraq has asked Egypt's support to convene the next Non-Aligned conference due to be held in Baghdad in September, the Egyptian Foreign Ministry said Sunday. The minister of state for foreign affairs, Boutros Ghali, said after meeting the head of the Iraqi interests section, Yassin Issa Nasr, that Egypt supported Baghdad as the venue of the forthcoming conference.

Egyptian army chief arrives in Israel

TEL AVIV (R) — The Egyptian chief of staff, Lt.-Gen. Abd Rab Al Nahi Hafez, arrived in Israel Sunday for a five-day visit accompanied by senior army officers. The Egyptian commander was invited during last year's visit to Cairo by Israeli chief of staff, Lt.-Gen. Rafael Eitan. Gen. Hafez will meet Defence Minister Ariel Sharon and tour training camps and other military installations during his stay.

Assad assails U.S.

DAMASCUS (A.P.) — Syrian President Hafez Al Assad on Sunday said Israel's annexation of Syria's Golan Heights was "only a part of an American-Zionist scheme" and vowed to "shed blood to foil this ugly scheme." The Syrian leader made his statements in a telegram addressed to the conference of the World Peace Council, which opened in the South Yemeni capital, Aden, on Saturday. "The least we can say about the U.S. attitude is that America is an accomplice with the criminal in this crime and with the aggressor in his aggression," Mr. Assad said in the telegram.

Boycott office bans films

AMMAN (Petra) — A number of movie pictures have been banned in Jordan in accordance with the Arab boycott of Israel regulations. According to Director of Press and Publication Ahmad Al 'Usta who issued the ban Sunday, the film 'Miracle of the Bells' and the film 'Clouds Roll By' are not to be shown in Jordan because they are Jewish. The film 'The Ways have been Banned' because it was produced by two blacklisted firms. The Inspector General, because blacklisted American actor Danny Kaye stars in it and the film 'Foot in Egypt' was shot in the blacklisted Egyptian actor Mahmoud Zaki stars in it. The ban also covers two French films because they praise Zionism and offend Arab feelings. They are: 'Le Folie Des Grands' and 'Le Train'.

Weinberger, Sultan launch military talks

RIYADH (A.P.) — U.S. Secretary of Defence Caspar Weinberger met Sunday with Saudi Defence Minister Prince Sultan bin Abdul Aziz and top military commanders in the kingdom.

Mr. Weinberger arrived Saturday at the beginning of a three-day tour, declaring that he will discuss joint security arrangements for Saudi Arabia and Arab Gulf states, including the possible co-production of U.S.-designed weapons in Saudi Arabia.

Mr. Weinberger's visit coincided with an emergency foreign ministers meeting in Bahrain by Saudi Arabia and its five allies in the Gulf Cooperation Council (GCC), held primarily to discuss joint efforts for thwarting Iranian threats of exporting the Islamic revolution of Ayatollah Khomeini to neighbouring states.

The GCC comprises Saudi Arabia, Kuwait, United Arab Emirates, Qatar, Bahrain and Oman.

Present with Prince Sultan, who holds the additional portfolio of aviation minister, were Sheikh Osman Al Hameed, Prince Sultan's assistant for military affairs, Saudi Chief of Staff Maj. Gen. Mohammad Saleh Al Hamad, the commanders of the army, air force and navy as well as the Saudi ambassador to the United States.

Mr. Weinberger was accompanied by members of his delegation and Richard Murphy, the U.S. ambassador in Riyadh.

Prince Sultan started the meeting by welcoming Mr. Weinberger and expressing hope the talks will result in "developing our relations within the framework of principles respected by both the kingdom and the United States."

He said the meeting was "a continuation of discussions between

officials of the two states in the interests of peace and stability."

Prince Sultan emphasised the kingdom's status as site of the holiest shrine of Islam, and said this imposes on Saudi Arabia "multiple responsibilities for peace and prosperity."

Mr. Weinberger shared Prince Sultan's wishes that the talks will consolidate long-standing and amicable mutual relations.

The U.S. is Saudi Arabia's main supplier of weapons, with current contracts in the neighbourhood of \$9 billion providing for the supply of five AWACS (Airborne Warning and Control System), enhancement equipment for F-16 fighters and other hardware, besides the Saudis already-acquired Hawk surface-to-air missile network.

Prince Sultan and Mr. Weinberger's statements were carried by the Saudi Press Agency. Neither made any statement to the press before the meeting.

Saudi and Gulf media appeared to be giving 51 low-key treatment to Mr. Weinberger's talks, probably because of the posture of non-alignment adopted by the nine-month-old GCC.

Mr. Weinberger's statement that he will discuss with the Saudis joint cooperation in security arrangements for states along the Gulf was played down in Sunday newspapers.

The statement was not carried by the Saudi Press Agency.

Mr. Weinberger had declared upon arrival that his talks will concentrate on "mutual basic coordinated security assistance" to be provided along with Saudi Arabia to the GCC partners.

"Co-production (of U.S.-designed weapons) might be a possibility," Mr. Weinberger said, "a very real possibility."



Speaker of the Upper House of Parliament Bahjat Al Talhouni (third from left) presides over Sunday's extraordinary session in which members unanimously endorsed His Majesty

King Hussein's initiative to send an all-volunteer force to fight alongside Iraq against Iran in the Gulf war. (Petra photo)

Upper House declares volunteering for Yarmouk Force a national duty

AMMAN (Petra) — The Upper House of Parliament has unanimously supported His Majesty King Hussein's initiative to send a volunteer force to fight alongside Iraq against Iran in the Gulf war.

The house also noted that Jordanians, who believe in the wise leadership of King Hussein and the principles of the Great Arab Revolt, are rushing to volunteer in the force in response to the dictates of the national duty towards Iraq.

This came in a cable which the house sent to King Hussein after an extraordinary session held under Speaker Bahjat Al Talhouni on Sunday.

Opening the session, Mr. Talhouni reviewed Iraq's bistoric rights to its territories and waterways.

He then read King Hussein's letter addressed to the Jordanian Armed Forces, public security departments and the volunteer Yarmouk Force.

He said that the King launched his initiative because "we believe in Iraq's rights to its territories and waterways — rights which the Iranian regime has refused to recognise."

"Khomeini's refusal to recognise Iraq's rights and the Iranian regime's intrusions against Iraqi territories were the reasons which compelled Iraq to enter the war," he added.

Mr. Talhouni said King Hussein declared his pan-Arab initiative to volunteer in the Yarmouk Force out of the principle of supporting

every Arab state.

House members meanwhile decided to contribute a total of JD 26,900 to the Yarmouk Force. Messrs Faisal Ibn Jazi, Mohammad Mawir Al Hadid, Dayfallah Al Humud and Mohammad Ibn Tayeh declared that they will volunteer in the Yarmouk Force.

Cabinet ministers also contributed half a month's salary to the Yarmouk Force.

Various private sector companies, citizens and organisations continued their contributions. The University of Jordan employees decided to contribute 10 per cent of their salaries for February to the Yarmouk Force. Employees of the Civil Service Commission gave three days' wages.

Badran receives Yemeni minister

AMMAN (Petra) — Visiting North Yemeni Minister of Development Fuad Qaid Mohammed called on Prime Minister Mudar Badran Sunday to discuss cooperation between Jordan and North Yemen in planning and development affairs.

They reviewed Jordan's five-

year development plan (1981-85) and the possibility of North Yemen's benefiting from Jordan's planning and development skills.

The meeting was attended by National Planning Council President Hanna Odeh and North Yemen's Ambassador to Jordan Abdullah Ali Al Dahbi.

The North Yemeni minister who arrived here on Saturday for a three-day visit to Jordan also visited the Arab Organisation of Administrative Sciences (AOAS) on Sunday and was briefed by its Director General Abdullah Al Zoabi on the organization's activities and its role in developing Arab administrative systems.

French Communists conclude congress

ST. OUEN, France (A.P.) — The 24th congress of the French Communist Party ended Sunday with the re-election of Georges Marchais as secretary-general and selection of a new central committee.

Mr. Marchais, in his closing address to the 2,006 delegates to the congress, stressed the major points made in his report on the opening day Wednesday, notably, continued cooperation with the Socialist leadership of President Francois Mitterrand.

The Communists, despite a disastrous showing in last spring's presidential and parliamentary elections, have four of their number in Mr. Mitterrand's cabinet — the first Communist participation in a French government since the immediate post-war years.

"Just as we contributed to the (leftist) victory, we have decided to contribute all our force to institute the new policies sought by the electorate," said Mr. Marchais, who just minutes earlier was unanimously returned to the party leadership by the newly elected 145-member central committee.

"That is the aim of the agreement that we concluded with the Socialist Party and the participation of Communist ministers in the government of the union of the left. I believe that the government and the (parliamentary) majority are on the right track. They have worked pretty well."

He emphasised, however, that the Communist Party would take pains to maintain its separate identity on the French political scene.

Mubarak starts Bonn visit

BONN (R) — West Germany Sunday pledged full support for Egypt's Middle East peace policy, including its call for Palestinian rights, as President Hosni Mubarak arrived in Bonn on the last leg of a five-nation tour of the West.

President Karl Carstens said in a welcoming speech that Bonn admired the "wisdom and steadfastness" with which Mr. Mubarak was pursuing the course set by his assassinated predecessor, Anwar Sadat.

"We will support every plan which entails a renunciation of the use of force by all parties and brings lasting peace by implementing the rights of the Palestinian people as well as the right to security of all states in the region, including Israel," Mr. Carstens said.

Government sources said Bonn was impressed by the confident

way Mr. Mubarak had taken office after Mr. Sadat's assassination last October, starting cautious liberalisation at home and enforcing economic and administrative reform.

West German government spokesman Kurt Becker said on Friday that West Germany would continue to back Mr. Mubarak and urge other states to support the Egyptian leader's policies.

President Carstens said Sunday Bonn wanted to develop its economic cooperation with Egypt, which recently concluded an agreement to buy two nuclear power stations from West Germany.

Mr. Mubarak, whose first foreign tour took in Italy, France, the United States and Britain, was due to meet Foreign Minister Hans-Dietrich Genscher and West German opposition leaders Sunday night before seeing Chancellor Helmut Schmidt on Monday.

Hungarians back Arabs

AMMAN (Petra) — Visiting Hungarian Deputy Foreign Minister Robert Ghrai declared Sunday his country's support for the Arab states' endeavours to achieve a just and durable Middle East peace, a total Israeli withdrawal from Arab lands and safeguarding Palestinian people's national rights.

He was speaking during a meeting with Occupied Territories Affairs Minister Hassan Ibrahim who explained to the Hungarian guest and his accompanying delegation Jordan's stand with regard to the achievement of peace and recent developments in the region.

At a meeting with Under-Secretary of the Ministry of Industry and Trade Mohammad Saleh Al Hourani the Hungarian delegation discussed means of promoting Jordanian-Hungarian economic ties.

Importation of 1976 cars banned

AMMAN (Petra) — Minister of Finance, Saleem Masadeh Sunday issued a communique to all customs centres in Jordan prohibiting the importation of 1976-model saloon cars and buses. The Jordanian government had issued a similar law in 1978 prohibiting the importation of cars and buses which are more than five years old.

Arabs suspect U.S. pressure may erode Israeli boycott

BEIRUT (A.P.) — Arab nations hope to prevent the United States from influencing countries not to impose the voluntary sanctions that the United Nations urged against Israel, according to a report published Sunday.

Clovis Maksoud, the permanent U.N. representative of the Arab League, was quoted in the Lebanese weekly magazine, Monday Morning, as saying, "we are trying to contain the excessive pressure which the United States is exerting with various states not to comply with this resolution."

Mr. Maksoud, a Lebanese, was speaking of Friday's General Assembly vote favouring voluntary sanctions against Israel for its annexation Dec. 14 of Syria's Golan Heights.

The measure calls for nations to voluntarily suspend diplomatic and trade relations with Israel and labelled Israel "not a peace-loving member" of the U.N.

The United States and other Western powers voted against the resolution that was sponsored by 55 nations.

The administration of U.S. President Ronald Reagan issued a statement the day before the vote saying Washington would review its support of the world body if there were attempts to expel Israel.

Supporters of the measure said the U.S. delegates were twisting arms to have the resolution defeated.

"We think that the condemnation of Israel is so universal that we need only coordinate with our friends around the world on how best to implement the resolution," the English-language magazine quoted Mr. Maksoud as saying.

Israel occupied the Golan Heights in the 1967 Middle East war. It justified its extension of Israeli civilian law over the occupied area by saying Syria had refused to enter talks on return of the land.

Iraq wages commando attacks

BEIRUT (R) — Iraq has launched a counter-offensive on the southern front in its Gulf war with Iran, the Iraqi News Agency (INA) said Sunday. The attack began last night with nine commando raids at points between Dezful and Ahwaz in Iran's south-western province of Khuzestan, and continued Sunday with air strikes on military targets in the same area, INA said. Iran had abandoned positions near the border village of Bostan, which it recaptured in an offensive last September, the agency added. It said Iraqi troops had killed 243 Iranians and destroyed four tanks and 15 military vehicles in the last 24 hours, for the loss of 10 Iraqi dead. Fighting was continuing this evening, according to the daily military communique. Iraqi planes had scored direct hits on unidentified targets and all returned to base safely, it added.

GCC announces determination to counter Iranian threats

MANAMA, Bahrain (A.P.) — The foreign ministers of Saudi Arabia and its Arab partners in the Gulf Cooperation Council (GCC) announced Sunday their determination to counter Iranian sabotage acts aimed at wrecking stability of the Gulf region. At the same time they urged Iran to "respond to international efforts for an equitable settlement of the 16-month-old Iran-Iraq war."

This came in a joint statement at the end of a two-day meeting that has been billed as a show of solidarity with Bahrain, target of an Iranian-backed "Islamic revolution" coup bid last December.

Before the statement the ministers had huddled together in strict privacy for five hours to decide on a unified course of action against Iranian threats to export the "Islamic revolution" of Ayatollah Khomeini to neighbouring states.

The meeting brought together the foreign ministers of Saudi Arabia, Kuwait, United Arab Emirates, Bahrain, Qatar and Oman.

Sunday's meeting, the latest in a series of GCC "joint strategy" conferences, came as U.S. Secretary of Defence Caspar Weinberger was undertaking talks in Saudi Arabia on the full range of "security" problems in the strategic Gulf area.

The statement, carefully phrased to sound firm but non-belligerent, made no reference to joint GCC sanctions against Iran — an issue said in earlier reports to be under consideration.

It said only that the ministers support Iraq's call for "adopting a unified Arab stand regarding the Iran-Iraq war at the next Arab summit."

Iraq has rejected Arab neutrality in the war, saying Arab states should follow the example of King Hussein in sending volunteers to fight alongside Iraq.

"The conference reviewed the latest events in Bahrain and declares its unequivocal support to the state of Bahrain" the statement said, "and its determination to oppose the acts of sabotage undertaken by Iran with the aim of wrecking security and stability, spreading anarchy and dissension, and threatening the interests of citizens."

"The ministers reviewed the war and noted Iraq's continued readiness to reach a just settlement," the statement said.

It said the GCC supports all efforts for ending this war by peaceful means and calls on Iran to respond to efforts by the Islamic conference, the non-aligned nations and the United Nations to attain a peaceful solution safeguarding the legitimate rights of the conflicting parties.

The statement said the ministers discussed in detail the present Arab situation, calling for an end to inter-Arab differences.

The ministers reiterated support to Syria against Israel's annexation move, to the Palestinian people's right to establish an independent state under the leadership of the Palestine Liberation Organisation, and to "restoring Arab sovereignty to Jerusalem."

Gulf papers welcome sanctions against Israel

RIYADH (A.P.) — Saudi newspapers hailed Sunday the latest U.N. General Assembly Mideast vote as a victory brought about chiefly through the policies pursued by Saudi Arabia and its Arab allies.

The newspaper Okaz said the 86 majority vote calling on all world nations to suspend aid, trade and diplomatic ties with Israel will enable the Arabs to pursue more energetically the policy of cornering Israel into "implementing international resolutions" on Mideast peace.

Gulf papers continued meanwhile to criticise the U.S. vote against the resolution, which was aimed at punishing Israel for its annexation of Syria's Golan Heights last December.

The Saudi daily Al Jazeera said American threats to withdraw support for the United Nations should prompt "consideration of an alternative host country for the world body—but this time after remedying shortcomings in the present charter of the U.N. and its structure."

In the meantime, Saudi Arabia will "continue to counter American influence within the United Nations in its unique way," the paper added.

Bahrain's Akhbar Al Khaleej said the U.S. stance "raises serious questions about its role as a sup-

erpower bearing a special responsibility to international peace and stability."

In Kuwait, newspapers called for vindictive measures against the U.S. and other powers "who stood, shamelessly in support of Israel despite enormous interests they have with the Arabs," as the Al Rai Al Am put it.

"The Arabs' lack of a decisive position on this is a scandal in itself," said the paper.

The English-language Kuwait Times warned that "U.S. dictatorial practices will doom the United Nations to the fate of its predecessor, the League of Nations."

The Kuwaiti newspaper Al Watan called for a re-assessment of Arab relations with each individual country voting for or against the resolution.

It specifically condemned Japan's negative vote, saying it reflected "an attitude of challenge and contempt towards the Arabs."

The Qatar newspaper Al Raya said Greece's vote for the resolution was tantamount to "an actual break with the North Atlantic Treaty Organisation and American domination."

The English-language Gulf Times commended the yes vote by some countries who have relations with Israel, including Burma, Nepal, Lesotho and Peru.

Israeli cabinet considers U.N. vote 'null and void'

TEL AVIV (R) — The Israeli government Sunday declared a United Nations call for sanctions against Israel for annexing the Golan Heights as "null and void."

The Israeli cabinet said Friday's decision by an emergency session of the General Assembly calling for punitive steps against Israel over its annexation of the heights was taken by "the automatic anti-Israeli majority in the U.N. General Assembly."

"The anti-Israeli majority prevailing in the United Nations, which six years ago adopted the heinous resolution equating Zionism and racism again passed a resolution against the Jewish state. That resolution is null and void," said a cabinet statement read out to reporters by a government spokesman.

The U.N. resolution, approved by 86 to 21 with 34 abstentions, called for a total international boycott to isolate Israel in diplomatic, economic and military circles.

NATIONAL

'International' rally slated for June 3 and 4

AMMAN (J.T.) — The 1982 Jordan Rally will be held on June 3 and 4, the Royal Automobile Club (RAC) of Jordan announced Sunday.

RAC General Manager Derek Ledger said that following the "success" of last year's rally, the event now becomes "fully international" and is inscribed on the International Sporting Calendar of FISA (Federation Internationale du Sports Automobile).

The 1,500-kilometre rally will start and finish at the Marriott Hotel in Amman. The route includes approximately 25 "special stages," mostly over desert tracks varying from smooth dusty high speed sections to mountainous passes, where speeds will be relatively low. There will also be some asphalt stages and a stage on the beach at Aqaba, where the overnight rest will take place. The route will have at least 350 kilometres of maximum speed special stages.

"The variety of the routes chosen will ensure that a true test of



Derek Ledger

the driving skills of the competitors as well as of the competing cars will be amply rewarded," Mr. Ledger said.

"As the rally will be held in the summer this year, dust will be a major consideration to the drivers and possible high temperatures in the desert could also form an added demand on crews and cars. Rain, however, will not be a hazard as fine weather is guaranteed," he added.

Mr. Ledger said several stages will be over the same section twice

— but in opposite directions. Competitors will have ample time to carry out reconnaissance as "Road Books" will be issued one month before the rally. Foreign competitors not familiar with the region can be provided with some assistance in initial route-finding though experienced crews will find the Road Book more than adequate for this purpose; off-road parts of the route will be well marked. As the majority of the stages are in remote unpopulated areas there will be no traffic or other problems during practice. All the stages are, however, linked with first class highways which will provide service crews with easy access and egress.

"The rally is, perhaps, unique in that the terrain covered varies from cool forests at altitudes of over 1,000 metres to rugged, barren mountainous areas; dry hot deserts, where trails of dust mark the progress of cars; and the inviting waters of the port of Aqaba where the crews can rest for a few hours," Mr. Ledger said.

He promised that foreign competitors will receive "all possible assistance, visas and entry formalities for cars." Spares and service vehicles will all be arranged and it is "anticipated that some assistance can be provided for competitor accommodation," he said.

Capturing the bedouin in concrete

By Meg Abu Hamdan
Special to the Jordan Times

AMMAN — High on a hillside, overlooking the Wadi Abdoun, stand two still white figures. One a young, strong bedouin man — carries an axe over his shoulder, while in front of him he holds almost defiantly a stout branch of the tree he has felled. His wife, her dress covered with traditional tribal embroidery, stands beside him balancing a flat basket on her head. Both gaze out with apparent calm across the valley.

Although very lifelike, the couple is not real; instead they are the work of sculptor Mohammad Al Sayed. The lifesize statues — the only ones of their kind in Amman — were cast and erected only last week in the Abdoun garden of Mr. Suhail Khoury.

Mr. Khoury commissioned the artist some six months ago to make him a "traditional sculpture" for a particular site in the garden of his new house. Taking into account all the many handicrafts the site would provide, Mr. Sayed produced a 25-centimetre-high clay model of his initial idea — an idea that was instantly accepted. The artist then began working in clay on the piece in his north Marka studio where,

often moulding from life, he would work up to six hours each evening. Finally, four months later, the artist cast the sculpture in a specially formulated cement mixture which he hopes will withstand all Amman's various weather conditions.

The sculpture, whose present pristine whiteness will slowly weather and fade into more subdued tones, has already attracted much attention. Passersby often stop in their tracks to take a longer look, while others, on the basis of this piece, are commissioning more work from Mr. Sayed. Besides Mr. Khoury, who has ordered and will receive very shortly a 70-centimetre-high statue of a traditionally dressed woman, the Hussein Ibn Ali Regiment has asked the artist for a piece relating to the 1917 Great Arab Revolt, to adorn the forecourt of its officers' club.

"I thought about this for a long time," Mr. Sayed told the Jordan Times. "Then I remembered that in every country people have always fought for their flag. So I decided to make a sculpture combining the marvellous eyes of Hussein Ibn Ali with a strong hand holding the flag."

Mr. Sayed studied ceramics and sculpture for five years in Baghdad. He now teaches art, the technology of glazing and the technology of education — on which he has written a book — at the Amman teacher training college and at the Alia College. In the afternoons he teaches ceramics at the Institute for Music and Fine Arts.



Mohammad Al Sayed puts finishing touches to statues of a bedouin couple he cast for Mr. Suhail Khoury.

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NATIONAL

German expert predicts

Jordan to produce 50,000 bpd of oil from shale rock by 1995

By Samira Kassar

Special to the Jordan Times

Oil shale deposits in Jordan are among the best in the world with respect to quantity, quality and possibilities of commercial utilisation, according to Professor Friedrich Bender, president of the Federal Institute for Geosciences and Natural Resources (BGR) in West Germany. On the strength of this opinion, Dr. Bender believes that by 1995, Jordan can have the largest shale oil plant in the world.

Dr. Bender, who paid a three-day visit to Jordan in January at the invitation of the Natural Resources Authority (NRA) to give an expert opinion on the pre-feasibility studies already completed regarding Jordan's oil shale reserves, told the Jordan Times that the importance of utilising shale oil to produce energy in a country like Jordan cannot be underestimated.

Jordan's oil import bill is high and continues to increase rapidly as fast industrialisation is apace, he said. Hence, every chance to produce energy from the country's natural resources should be seriously considered in spite of any technological and financial risks that may be involved, he added.

Dr. Bender is more than adequately qualified to give an expert opinion on Jordan's natural resources. The BGR has been carrying out mine prospecting operations in many countries throughout the world. Moreover, Dr. Bender has had extensive field experience in Jordan: From 1961 to 1968 he was one of a team of German geologists prospecting for minerals and ground water in cooperation with the NRA. Since 1968, BGR has continued to cooperate with the NRA in hydrological and mining projects in Wadi Araba and other parts of Jordan.

Dr. Bender has based his favourable opinion on the utilisation of Jordan's oil shale deposits on several factors. To begin with, huge reserves of oil shale have already been proved in central Jordan by the BGR and the NRA. So far, Jordan's proven oil shale reserves total 1 billion tons with a recoverable or useable oil content of 100 million tons, according to Dr. Bender. Another equally important factor that has led him to believe in the viability of utilising Jordan's oil shale deposits to produce energy is that, for "good geological reasons," another three to four billion tons of additional reserves can be expected to exist in central Jordan, between Amman and Ma'an, to the east and west of the desert highway. Dr. Bender also believes that substantial oil shale reserves are to be found in the northern area of the country near the Yarmouk University site. The presence of such huge oil shale reserves in Jordan would put the country at the fore of the world's shale oil producers, which include the United States, Morocco, Australia and Brazil.

Dr. Bender pointed out that these countries still have not fully utilised their oil shale reserves. Moreover, Jordan's reserves are among the best in the world with regard to their high-grade oil content, said Dr. Bender. Another reason that has led Dr. Bender to believe that Jordan's oil shale reserves can be easily utilised is that these reserves are located in easily accessible areas. Basic transport networks already link these areas to the rest of the country, and Dr. Bender believes that the erection of oil shale plants close to reserves would not present too many problems with regard to the necessary infrastructure.

Finally oil shale can be easily mined by a relatively cheap and easy method known as "open-cast mining," which involves excavation by removal of the over-

lying soil and rock layers. The more expensive and laborious process of digging tunnels would not be required, Dr. Bender said. Dr. Bender warned, however, that a gradual, step-by-step approach would be advisable in the erection of an oil shale plant and an accompanying electricity generating station because of the financial and technical risks inherent in such a venture. He had conveyed this opinion to His Royal Highness Crown Prince Hassan, he said, during a meeting with him to discuss Jordan's oil shale deposits.

Dr. Bender believes that two integrated demonstration plants should be erected in a suitable location near areas rich in oil shale reserves. One would be a plant for the extraction of oil from the mined rocks, while the other would utilise shale oil for the production of electricity. Such an approach would minimise the technical risks inherent in such a project by allowing a period of grace for discovering by trial and error the best methods of mining and energy production. A small-scale demonstration project would also minimise financial risks, which mainly exist because the rentability, or rate of financial economic returns, for such a project are still unknown, added Dr. Bender. Only the feasibility studies can give an accurate projection of the break-even figures and the rentability of a large-scale oil shale project. He expects that the full-fledged feasibility studies can be completed by the end of 1983. If a government decision for the erection of the two demonstration plants were to follow immediately, their erection could get underway by the beginning of 1984 and they would be completed by 1987, according to Dr. Bender. Provided that the demonstration plants run smoothly, scaling up to the final goal of a full-fledged oil-producing plant and electricity

generating station would then be technically easy, and could be achieved by 1995, Jordan would then have the world's largest oil shale plant, which could produce as much as 50 thousand barrels of oil a day.

Dr. Bender believes that Jordan will need highly qualified Jordanian geological experts and technicians to control the work of companies that will participate in such a project. He pointed out that many Jordanian experts had already been trained at BGR and were capable of very high quality work. He regretted, however, that most of them had either not returned to work in Jordan, or had left after a few years to take up more lucrative employment in oil producing countries and other parts of the world. He believes that more financial incentive should be provided by the government to curtail this brain-drain from which Jordan suffers.

AMMAN (Petra) — The Tel-ecomunications Corporation (TCC) on Sunday completed the repair of all telephone lines "in Amman and all other towns in the Kingdom" which went out of order during the recent snow storm. Minister of Communications Mohammad 'Addouh Al Zaben announced.



Prince Mohammad
chairs
tourism
meeting

AMMAN (Petra) — The Higher Tourism Committee met at the Royal Court Sunday under the chairmanship of His Highness Prince Mohammad to review the provisions of a new draft law on tourism and amendments.

The new law is designed to organise the Jordanian tourism industry and to develop its various activities in coordination with concerned government departments. It also aims at promoting the government's tourism sector to ensure its speedy development.

Zaben announces phones repaired Ajlouni blames contractors for violating specifications

AMMAN (Petra) — The Tel-ecomunications Corporation (TCC) on Sunday completed the repair of all telephone lines "in Amman and all other towns in the Kingdom" which went out of order during the recent snow storm. Minister of Communications Mohammad 'Addouh Al Zaben announced.



Isam Ajlouni

In a statement to the Jordan News Agency, Petra, Dr. Zaben, who is chairman of the TCC Board of Directors, said local, national and international telephone communication "has returned to normal."

He said a total of 1,105 telephone lines were damaged during last week's storm. These were mostly in Jabal Al Hussein, Jabal Amman, Ashrafiyah and Downtown Amman, he added.

Meanwhile, Amman Mayor Isam Ajlouni presided in his office Sunday at a meeting which included representatives of the TCC, the Jordan Electricity Company (JEC), the Amman Water and Sewage Authority (AWSA), and all the companies contracted to carry out excavations and install telephone lines in Amman.

Speaking about the damage to Amman streets following the heavy rainfall, Mr. Ajlouni said the contractors did not adhere to specifications, particularly at crossroads which usually come under greater pressure because of traffic and rainfall.

Mr. Ajlouni urged the contractors to halt work during the winter season if rainfall actually causes delay in repairing damage resulting from installing telephone lines or does not lead to good results in the repairs.

The contractors' representative promised to apply "special technical measures" to avert the damage resulting from the rainfall and the pressure caused by traffic.

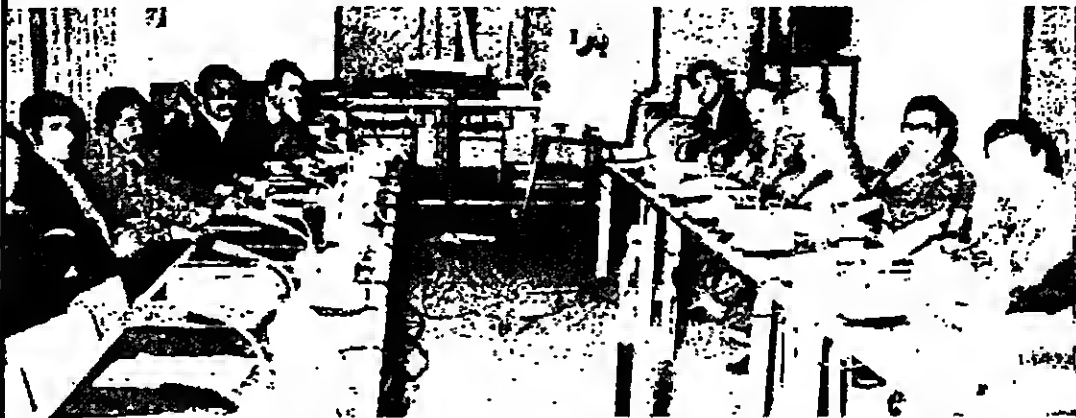


Mohammad 'Addouh Al Zaben

Mr. Ajlouni requested the contractors to obtain permits in advance from Amman Municipality for any digging in the capital, with the aim of coordinating between the contractors and the municipality's technical department.

Mayor Ajlouni decided to convene a similar meeting in the next few days to evaluate the efforts made by the contractors in doing the repairs and the extent of their adherence to specifications.

Negotiating skills seminar opens



AMMAN (Petra) — Arab Organisation of Administrative Sciences (AOAS) Director General Abdallah Al Zu'bi opened here Sunday a week-long seminar on negotiating skills. Dr. Zu'bi said the aim of the seminar is to contribute to the development of public administration in the Arab World.

Seminar supervisor Dr. Hussein Al Duri said at the beginning of the opening ceremony that this seminar, held for the first time in the Arab World, is significant in terms of making participants acquire negotiating skills. Twelve participants representing 12 Arab countries are attending the seminar. (Petra photo)

NATIONAL NEWS BRIEFS

Algerian university team due

AMMAN (J.T.) — A delegation representing the Algerian ministry of education and scientific research will arrive here during the coming few days on a week-long visit to Jordan. The delegation, headed by Constantine University President Jilali Sari, will hold talks on teaching systems and the awarding of degrees at the University of Jordan.

Qatar given 45,000 saplings

AMMAN (Petra) — The Jordanian government has presented Qatar with 45,000 tree saplings, Minister of Agriculture Marwan Dudin said here Sunday. He said the saplings include cypresses, cypresses and other forest trees.

Tal to open education HQ in Salt

SALT (J.T.) — Education Minister Sa'id Al Tal will inaugurate Monday the new headquarters of the Bakqa Governorate Department of Education. Dr. Tal will also patronise a cross country race to be held in Shuneh the same day. Pupils from all over Jordan will participate in the race.

Dudin to chair AMO meeting

AMMAN (J.T.) — The board of directors of the Agricultural Marketing Organisation (AMO) will meet under Minister of Agriculture Marwan Dudin on Tuesday to discuss a number of financial issues and exports of vegetables and fruits to Iraq.

NCC committee debates tax draft

AMMAN (Petra) — A new draft law on income tax was reviewed by a joint session of the National Consultative Council's legal and financial committees Sunday. The joint committee, under the chairmanship of Dr. Khalil Al Salem, will hold another meeting Wednesday to pursue discussion. Attending Sunday's meeting were Finance Minister Salem Masa'deh Budget Director Sami Gammoh.

Customs aide to visit Iraq

AMMAN (Petra) — Under-Secretary of Finance/Customs Yassin Al Kayed will pay an official visit to Iraq in the second half of this month at the invitation of the director general of Iraqi Customs, Yunis Mohammad. The visit is aimed at bolstering cooperation between Iraq and Jordan in customs affairs, according to Mr. Kayed, who also said that he will look into Iraqi customs systems.

Alia team off to AACA meeting

AMMAN (Petra) — A delegation from Alia, the Royal Jordanian Airline, left for Saudi Arabia Sunday to take part in the sixth meeting of the Arab Air Carriers Association (AACA) which will start in Jeddah Monday. Among other topics, the participants will discuss ways of depolluting air transport and the bye-laws of the Islamic Air Carriers Association (IACA). Alia, along with Iraqi Airways, will submit a proposal for establishing an Arab air cargo company. The two national carriers have already laid the foundation for such a company. A delegation representing Iraqi Airways also left here Sunday to take part in the three-day Jeddah meeting.

FJCC to attend Taif meeting

AMMAN (J.T.) — The Federation of Jordanian Chambers of Commerce (FJCC) will participate in the 26th session of the Arab chambers of industry, commerce and agriculture conference due to start in Taif, Saudi Arabia, on March 29, the federation said Sunday. The session will be followed by a conference for Arab businessmen and investors, which will be held under the patronage of Mecca Governor Prince Majed Ibn Abdul Aziz from March 30 to April 1.

Digs near completion

AMMAN (Petra) — Department of Antiquities Director General Adnan Al Hadidi Sunday inspected excavation work at Tal Al Habbat in the Jordan Valley region. The work conducted by the Department of Antiquities, in cooperation with the University of Arizona, is expected to end by the middle of next month. According to the Department of Antiquities, two other archaeological digs—at Tabaqat Fahl (Pella) in the northern Jordan Valley and at Ain Ghazal, east of here—will be concluded during February.

Zarqa Basin plants to be closed

ZARQA (Petra) — The Zarqa Public Safety Committee held a meeting Sunday to discuss subjects pertaining to following up inspection of factories along the Zarqa River that were requested to install water treatment plants. Committee Chairman Salem Al Qudah, who is also Zarqa District Governor, said that factories that have not abided by the instructions will be prosecuted. At Sunday's meeting, the committee decided to destroy all greens grown along the Zarqa River which are watered by waste water, and adopted a number of measures to prevent pollution in the river basin.

Jordan Valley farmers get JD 447,000

DEIR ALLA (Petra) — The Jordan Valley Farmers Association gave JD 447,000 in loans to 500 farmers during 1981. These loans were spent on building green houses, irrigation canals and purchasing chemical fertilisers to develop agricultural wealth in the valley.

Kufr Asad to renew water pipes

IRBID (Petra) — Kufr Asad Municipality in Irbid Governorate has decided to renew the city's drinking water pipe network. Work on the 10 kilometre network, to cost JD 63,000, will start during March. Kufr Asad Municipality spent JD 20,000 last month on asphaltting 10,000 square metres of roads and building eight classrooms for the town's school.

EEC flour donation gets to Aqaba

AMMAN (Petra) — A shipment of 1,128 tonnes of flour has arrived in Aqaba Port as part of European Economic Community's donations to the United Nations Relief and Work Agency for Palestine refugees (UNRWA), an agency source said Sunday.

Sharkas urges publishers to give free copy to NLDA

AMMAN (Petra) — National Libraries, Documentation and Archives Director General Ahmad Sharkas on Sunday issued a circular to publishers, printing plants, public and private institutions and all those involved in publication, reminding them that the Department of National Libraries, Documentation and Archives is a centre for depositing all documents and publications, and urged them to send a free copy of every publication issued in the country to his department.

Dr. Sharkas said the circular is part of a campaign to officially preserve the Jordanian intellectual output which his department has been working for ever since its establishment.

Dr. Sharkas said the department has now a card index documenting all the national intellectual output. He said his department will print in the next few days its first publication — a national bibliography for 1980.

This will be a prelude for a work which will continue to periodically monitor the national writing and publication movement, he said.



Ahmad Sharkas



Walid Asfour

Asfour to attend Islamic, Arab cooperation conference

AMMAN (Petra) — Jordan will take part in a conference on industrial cooperation among Arab and Islamic countries which will open in Pakistan next Sunday.

During the three-day conference ways of bolstering cooperation among Islamic nations in the industrial fields and establishing joint industrial ventures will be discussed.

Jordan's delegation, led by Minister of Industry and Trade Walid Asfour, will leave here Monday to take part in the conference.

During his stay in Pakistan, Mr. Asfour will discuss with Pakistani officials bolstering economic and trade ties between Jordan and Pakistan.

The Jordanian delegation comprises several officials from the Ministry of Industry and Trade and the Jordan Phosphates Mines Company.

Amman to host seminar on social security plans

AMMAN (Petra) — The fourth Arab seminar on social security will be held in Amman in May. Delegations representing 14 Arab states that apply social security schemes and representatives of Arab countries which have no social security legislation, will attend the seminar.

The participants will get acquainted with Jordan's experiment in social security. They will also discuss several working papers.

dealing with workers and employers as regards social security, the inclusion of seasonal workers and workers employed on daily basis in the social security schemes, the use of computers in social security and the investment of surplus funds of social security corporations.

The last Arab social security seminar was held in Algiers in 1977.

Civil defence courses start in Irbid, Zarqa

RAMTHA (Petra) — A four-week training course on civil defence opened here Sunday.

Taking part are 45 school teachers who will receive theoretical and practical training on fire-fighting, first-aid and rescue operations, and will see films on civil defence work.

The director of civil defence here, who opened the course said that three similar training courses for employees of the Irbid District Electricity Company are underway, and plans have been laid for holding other courses for workers in Irbid Governorate.

The first such course will be held in Irbid's industrial zone next month, he said.

In Zarqa, District Governor Salem Al Qudah Sunday opened two courses on civil defence for teachers of the Awajan boys and girls schools.

Altogether, 60 teachers are taking part in the courses which will last two weeks.

WHAT'S GOING ON

Exhibitions

* Recent prints from Britain, featuring work by a number of contemporary British artists, at the British Council from 9 a.m. - 1 p.m., 4 - 6 p.m.

* Spotlight Germany, an exhibition of works by 11 of West German's best-known photographers, opens at the Goethe Institute at 6 p.m.

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Apply to P.O. Box 5011, Tel. 61293 - Mr. Raja Halazon.

Today's Weather

It will be partly cloudy, with chances of scattered rains in the eastern part of the country. The winds will be southeasterly moderate to fresh. In Aqaba, it will be partly cloudy with mild showers. The winds will be northerly moderate and the seas calm.

	Overnight low	Daytime high
Amman	1	10
Aqaba	4	19
Deserts	0	13
Jordan Valley	7	18

Yesterday's high temperatures: Amman 8, Aqaba 17. Humidity readings: Amman 30 per cent, 41 per cent.

Jordan Times

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Selling sense

THE CURRENT visit to the region of United States Defence Secretary Caspar Weinberger coincides with a series of meetings being held in the Gulf area among officials of the six-member Gulf Cooperation Council. The focus of both events is "security" in the area, both for individual states and collectively for the council members and other Arab states. The Weinberger visit will provide some people with an opportunity to condemn those Arab states that receive all or most of their military supplies from the United States. That is an easy and routine exercise without much meaning. The more important thing that has to be done, in our eyes, is for the Arab states in the Gulf and elsewhere to define more clearly their precise military and political relationships with the United States. The recent trend in the region, including Jordan and Saudi Arabia, both of which Mr. Weinberger is visiting, has been towards a slow diversification of one's military suppliers, with the West Europeans and the Soviets providing some supplies that had previously been purchased from the United States. Therefore Mr. Weinberger visits an area that has had a traditional arms supply relationship with the United States, and, in most cases, wants to maintain such a relationship. But gone is the time when one's "security" was synonymous with a regular supply of American arms. The Iranian example is the most vivid reminder of this fact that we can recall. The imperative facing the Americans now, in the Middle East, Central America and elsewhere, is to understand the distinction between selling arms and selling sensible political programmes based on the real needs of indigenous populations and states. The two are not mutually exclusive. Mr. Weinberger seems to be the kind of person who can grasp this concept.

ARAB PRESS COMMENTARY

The greatest defeat

AL RA'I: The United Nations General Assembly yesterday recommended that the international community should isolate Israel and impose a political and economic embargo on it. This recommendation is the biggest political defeat ever inflicted on Israel whose foreign ministry issued a statement saying that the General Assembly's action was illegitimate.

Despite the fact that the United States and the European group, except Greece, voted against the recommendation, the majority of other members approved the recommendation, including five states that have relations with Israel. This outcome expressed the strong international will to punish Israel for its belligerence.

The General Assembly can rely on this recommendation in future if it chooses to prevent Israel from attending its sessions. This is likely to happen and it might be the reason why the United States threatened to cut on its commitments towards the international organisation. Furthermore, this recommendation has regrettably exposed ill will on the part of the European Community. Other states adopted a brave stand and supported the recommendation to punish Israel. Such states like Cyprus, Nepal, Burma and Peru should implement the recommendation they supported and sever relations with Israel.

These stands which have been revealed at the General Assembly are significant to the Arabs who should not treat their friends and foes alike.

Aggression rejected

AL DUSTOUR: The United Nations General Assembly has passed a resolution recommending the imposition of punitive measures on Israel for refusing to rescind its decision to annex the Golan Heights. Although this recommendation is not binding to the members, it is a new political step that will step up the isolation of Israel and increase world condemnation of Israel's policy of aggression.

The General Assembly resolution confirms the belief that the Zionist entity is not qualified to remain a member in the international organisation. It also stresses the importance of imposing decisive measures capable of curbing Israel's appetite for expansion, terrorism and aggression.

The states that voted in favour of the resolution have stressed international condemnation of the United States' stand and international rejection of U.S. hegemony and Israeli blackmail. Washington resorted to pressure and threats at the Security Council and the General Assembly because it understood that its role as Israel's partner would be exposed. What proves the importance of this resolution is the fact that the Israeli cabinet will hold a special session in order to discuss the resolution and its stand thereupon. The likely outcome of this session would be more defiance and anger on Israel's part.

DE FACTONOMICS

Rising expectations

One can easily observe the rapid change in behaviour and attitudes towards consumerism in the Arab World, and perhaps, to varying degrees, in other developing countries.

Thousands of Egyptian workers go home almost every evening carrying a radio, an overcoat and blanket. Jordanian workers of higher incomes carry with them on their way back from the Gulf television sets, blender mixers, and other electric appliances.

For yet higher income groups, there are more luxurious consumer goods such as very expensive houses, cars, videos, complete ready-made kitchens etc.

Many occasions are being celebrated where expensive

gifts are exchanged. Tours are now arranged for many parts of the world and you will be surprised to know that they are not short of clients.

These are expressions of the rising expectations in the Arab World. This phenomenon could have favourable results if expressed in a rise in production activities or even if some consumer goods were produced in Arab countries.

We realise that light industries are being established in Arab countries including Jordan. Nevertheless, we need to gear our industrial expansion to meet our needs plus those of neighbouring Arab markets.

There are many items which have sizeable demand to justify establishing local industries,

particularly in clothing, food and construction. Even in other areas, we can encourage the development of new ventures such as baby food, tooth paste, toys, pencils, school bags and many others.

The danger of rising expectation is not, however, limited to the continued rise of our import bill and the rising trade deficit. There are other economic and social negative consequences.

Rising expectations have affected the tempo of our daily life. Being motivated by the wish to accumulate more goods, the individual is not easily satisfied nor patient. A fresh graduate does not easily accept the time-consuming promotion one step at a time. A professional who

spends his career in one corporation or agency is becoming an exception. Very high turnover is noted in most establishments and personnel policies are not easy to handle.

Through the communication media, every citizen is now aware of the consumption habits of the high-income groups. There are no closed or isolated communities or sub-cultures. In our society, what has been termed as the revolution of rising expectations can happily interpret itself, through the open opportunities for a better life, in more consumption and imitation of new habits. In some societies, where social stratification still exists, such revolution ends up in frustration and restlessness.

Rising expectations have been affecting the way we bring up our children. In our childhood, we were satisfied if our parents apologised about not being able to buy us gifts. Now it is not acceptable not only by our children but also by us. A boy's pocket money may be as much as his father's. This has a double effect. It forces the parents to look nervously for new sources of income, and it spoils the children.

It is indeed surprising that these issues are not talked about openly, but are left to have their full impact on our society. You hear more complaints if there is a meat shortage and very little talk about punctuality and work ethics.

By T.A. Jaber

It would be an odd notion to remind others that some of the consumption habits are also imported.

Rising expectations is an understandable outcome, but we should guide it and influence its effects.

National guidance programmes may be helpful in this regard. Women voluntary associations can also do a lot in transforming hidden capabilities into something productive. Tackling the easy incomes of middlemen in every activity would tend to favour directly-productive activities.

With rising expectations, we should not be only of propagating and practising proper and rational behaviour.

'We have to be honest with ourselves and try to define our interests'

By H.R.H. Crown Prince Hassan

The following article is an adaptation of a lecture given by His Royal Highness Crown Prince Hassan Bin Talal to the Arab Bankers' Association in London last month

It is reported that Thomas Jefferson once wrote: "I sincerely believe that the banking establishments are more dangerous than standing armies." I do not want to say that I share his opinion; but in these days of giant international banks, I am certainly willing to "bank" on such a statement.

I would like to address some of the aspirations of the Arab people and Arab strategy in the eighties. In the hope of highlighting the ambitions and plans of 160 million Arabs and dispelling some of the distortions and mistaken impressions about them.

Let me start by unveiling some of these distortions. Arabs have been depicted for some time as an excessively wealthy few holding the world to ransom. Their emerging banking institutions have been described as instruments for centralising this wealth. It is true that a small number of oil-rich Arab countries have some of the highest per capita incomes, surpassing even those of industrialised countries. It is also true that they have large financial surpluses which offer the world banking system opportunities, while posing certain challenges. However, the population of most of these countries is quite small, a fact which tends to be forgotten when quoting per capita income figures.

Moreover, these income figures relate to a depletion of a non-renewable resource and its transformation from a physical asset into a financial one. In comparison, income from agriculture for any one year reflects the value of output which can, generally speaking, be realised on a sustainable yearly basis. The case is different with an oil well - the value of output is the value of a depleted resource which is lost forever.

Taken as a whole, the Arab countries have an average per capita income that in 1979 was about \$1,870, or about 18 per cent of that of the United States. In fact, the per capita income of the Arab oil exporters in 1979 was comparable to that of Israel. Thus, one must take into account the large demographic dimension of the entire Arab World when dealing with Arab wealth. If it is excluded from the Gross National Product of the Arab states, the undeveloped situation of Arab economies becomes disturbingly evident.

To put things in perspective, the GNP of all Arab states is approximately equal to that of Italy, which has less than 40 per cent of the population of the Arab World. On the other hand, it is also a fact that some Arab states are among the least developed countries in the world.

Another issue which I would like to participate in clarifying is the alleged misuse of power by oil-producing countries. The OPEC countries, and particularly the Arab oil-producers, are being blamed for Western inflation and the current ills of the international economic situation. An easily recognisable scapegoat is thus available to take the blame for economic hardships, including inflationary pressures, unemployment and other problems facing the international financial system. It is forgotten sometimes, even by economists, that there exist business cycles involving phases of recession and prosperity, encompassing unemployment, inflationary pressures and real growth, all occurring with or without oil-price pressures. Some industrialised countries have had economic boom and bust rising oil prices, and recessions and unemployment amidst dropping oil prices. It is forgotten that some industrialised countries which are themselves producers or exporters of oil also have acute problems of inflation and unemployment.

The cost of oil, while slightly adding to inflationary pressures, is far from being the major source of inflation. Looking back at the inflationary experience of a giant economy like that of the United States, one can easily trace major causes of economic ills wrongly ascribed to oil and Arabs by some circles. Suffice to recall the recent remarks made by the president of the Federal Reserve Bank of New York, Mr. Anthony M. Solomon, that the two lessons of his country with regard to

inflation pertain to issues unrelated to oil. They are the reluctance to adopt comprehensive anti-inflationary programmes, and the underestimation of inflationary pressures in the periods when the U.S. economy was moving out of recession and passing through the initial phases of recovery. Further, the "guns and butter" policies of President Johnson's administration in the mid 'sixties have a present bearing on the economic ills of not only the U.S., but also those of Europe and the Third World.

Coming from a country that has to import all of its energy needs and whose oil bill is almost equal to the value of its domestic exports, I believe that the distortions and half-truths on this subject need to be promptly exposed. The oil producers have tried to play a constructive role during the last

energy sources. Therefore, the crucial role of oil does not reflect an imagined monopoly of power by the Arabs or a wicked design by oil producers; rather these are the edicts of the market place. Further, the possible use of oil as a strategic weapon, as is often said, is practically doomed. In the short run, by oil supplies, excessive stocks, freezing of monetary reserves, and possible counter-measures like the denial of food, technology or armaments.

The Arab World has been feeling for some time the weight of conflicts and power rivalries over its resources. President Nixon wrote: "more than ever, the question of who controls what in the Persian Gulf and the Middle East is the key to who controls what in the world".

We are aware that our region is vital to the stability and welfare of the

The Arab Economic Strategy heralded a new era in Arab thinking and decision-making. It presented a blueprint for joint Arab action aimed at achieving Arab goals within a framework of clearly defined priorities. These priorities include the achievement of food and military security for the Arab World, the upgrading of human resources, the acquisition and development of appropriate technology and the development of major industries such as oil and petrochemicals, engineering and building materials. Moreover, the Strategy called for the strengthening of the Arab Fund for Economic and Social Development, the Arab Monetary Fund and other specialised Arab organisations.

Paramount among the priorities of the Arab nation is the establishment

is all the more urgent in the light of hints emanating from some industrialised countries at the use of their agro-power to serve their own goals against Arab interests.

Another priority area in the Arab strategy is the upgrading of human resources. In the year 2000 it is expected that the population of the Arab World will range between 270 and 300 million. It is not expected that the high rate of population growth will disappear even then. Moreover, about 50% of the population will be young - less than 20 years of age.

This demographic structure will place added pressure on the limited amount of available services and infrastructure. Migration from rural to urban area is expected to intensify. The movement of workers among the Arab states themselves will continue, reflecting the demand for skilled manpower by the oil-rich states and other countries with labour shortages. Jordan offers a vivid example of this movement; we have over 300,000 skilled workers in the Gulf region, which has given rise to a labour shortage in Jordan. To fill the gap we have imported over 100,000 workers, most of them from Arab countries, and we expect this movement to continue in the next five years.

It is thus apparent that there is an urgent need for coordinating manpower mobility among the Arab countries and reducing the heavy reliance on imported labour.

The need to enlarge and improve vocational education programmes is urgently felt in all Arab states, even those with labour surpluses. Moreover, in two particular categories - the technician level and the post-graduate university level - there will be continued shortages. Hence, there is a need to upgrade and expand existing programmes and launch new ones. There should be an intensive effort aimed at utilizing the already available high-level scientists and engineers in improving the scientific and technological capabilities of the Arab World. There are large numbers of highly trained Arab scientists and engineers who have migrated to the West; we hope that effective programmes can be designed to repatriate and utilize these talents.

The Joint Agreement on Arab Investments is a welcome and long-due step in inter-Arab economic relations. It offers a legal framework for the free movement of Arab capital. It grants Arab investors specific privileges while protecting the rights of the host countries. Among its special provisions are broad protective measures for citizens of other Arab countries to invest in economic activities allowed by law, enjoying the same rights and privileges as those enjoyed by the citizens of the host countries. The articles of the agreement constitute only a minimum level of possible economic and financial guarantees. An interesting feature of the agreement is the stipulated concession for Arab investors and their families to reside in the country where they have made investments. Further, all funds invested within the jurisdiction of this agreement will be guaranteed against non-commercial risks with specific judicial arrangements to settle disputes regarding Arab investments within the Arab World.

The Arab Development Decade is a new concept in the future Arab outlook. It originated from an Iraqi proposal seconded by four Arab oil-producing countries: Saudi Arabia, Kuwait, the United Arab Emirates and Qatar. The core of this proposal is the allocation by these countries of a sum of five billion dollars over ten years, to be used in the co-ordinated development and income gaps among the Arab states. The funds will be used primarily for the benefit of the low income Arab countries to finance development projects on easy terms. Priority is given to areas which would strengthen Arab economic integration.

Following the summit, the finance ministers of the donor countries, who administer the funds, decided that priority be given to countries which have low per capita income levels. We believe that the concept of the Development Decade is a pioneering effort on the part of the Arab oil producers at helping the other Arab countries. This additional avenue of financing should be open to projects ready for implementation in the interest of economic integration and national solidarity. It has recently been

realised that the adoption of a certain cut-off point of per capita income to identify those eligible for benefits is an arbitrary scheme, and steps are underway to review that yardstick.

The sum of five billion dollars spread over five years will not be sufficient to overcome poverty in the Arab world, but it is a welcome first step towards the utilization of oil resources on a pan-Arab scale and in a rational manner, protecting the rights of all parties involved.

In addition to aiding the needy Arab economies, oil-rich Arab states have gone overseas to cultivate investment opportunities for their surpluses, thereby participating in the development of non-Arab economies.

It has been estimated that the size of oil investments held by Arab oil producers in foreign countries exceeded \$370 billion at the end of 1981, with an investment income approaching \$35 billion. In 1985, the size of these investments is expected to exceed \$800 billion, and that is for governments only. Private foreign investments by Arab nationals are estimated to have reached \$40 billion in 1981, and are expected to rise to \$140 billion in 1985.

Most governments as well as private investments are held in financial institutions of the U.S. and the U.K. If a part of these funds is recycled back in the Arab World, the cost will of course get higher.

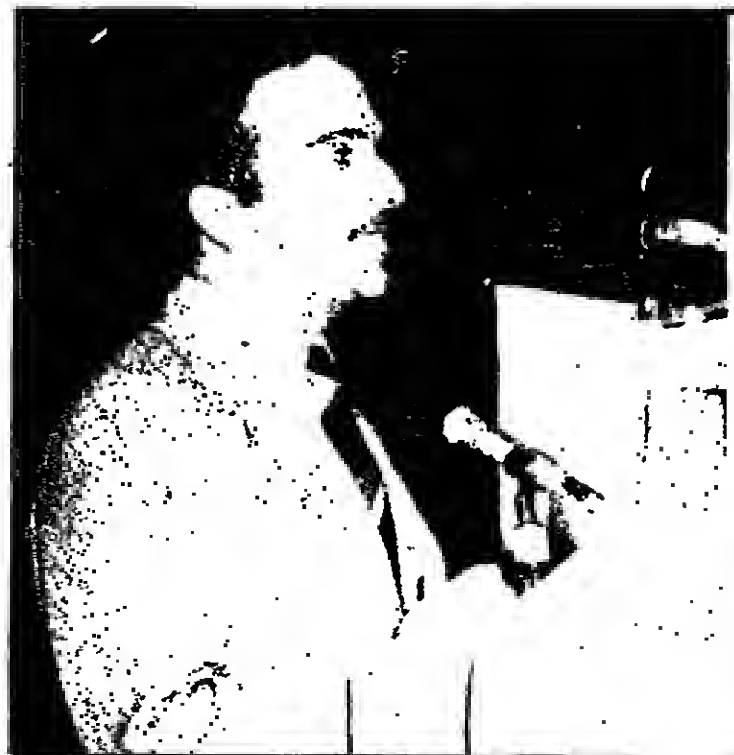
The foundation has been laid for unified Arab action, but that by itself is not sufficient. A lot of hard work needs to be exerted in order to build on those achievements. Such efforts require the active involvement of governments, individuals, development organisations and financial institutions.

The promotion of common Arab interests is a prevalent concern in all Arab countries, covering economic, political, cultural and other fields. But I believe that quite often ambiguity surrounds the rhetoric of common interests. We have to be honest with ourselves and try to define our interests. This is not an easy task by any means. If we take economic interests alone, we find several outstanding issues in need of clarification. Among these are: the degree of dependency on external sources for foreign trade, the desirable mix of domestic and Arab involvement in the economy of each Arab country and effective ways of eliminating disparities of income among the Arab states. It is a striking fact of Arab economic life that extreme wealth exists side by side with extreme poverty.

This is a threat to the stability of Arab society and it is wise to remember what Henry George wrote in the last century: "So long as all the increased wealth which modern progress brings goes but to build up great fortunes, to increase luxury and make sharper the contrast between the House of Haves and House of Want, progress is not real and cannot be permanent."

If the Arab World is to have a real chance of advancement and progress, ways must be found of achieving a true implementation of complementarities which exist in the Arab countries. Channelling some of the Arab surplus funds into the development of the Arab world itself is an insistent imperative.

It has been estimated that Arab funds held in Western banks are more than enough to buy the leading fifty banks in the world. However, not out of those is Arab. While we believe in international co-operation and exchange of expertise, much remains to be done to raise the level of Arab banking to correspond to Arab funds. The role of Arab banks in recycling the huge Arab financial surpluses has not been significant. All things being equal, the governments and central banks of Arab countries can do more to encourage Arab banks in this matter. The Arab people expect more of Arab banks in the West. Some of them see the expansion of these banks and the investment of funds in the West as a form of escapism, with Arab capital leaving the Arab World to establish a run-away banking system. This is particularly frustrating for some Arab countries who have to borrow urgently needed funds from the West - most likely Arab funds, through middle banks or institutions. Obviously there should be a remedy to this one-way traffic. I believe there is much you can do to reduce the costs of funds and act as a bridge between the West and the Arab World.



'Arabs have been depicted for some time as an excessively wealthy few holding the world to ransom.... To put things in perspective, the GNP of all Arab states is approximately equal to that of Italy.'

NATIONAL

German expert predicts

Jordan to produce 50,000 bpd of oil from shale rock by 1995

By Samira Kassar
Special to the Jordan Times

Oil shale deposits in Jordan are among the best in the world with respect to quantity, quality and possibilities of commercial utilisation, according to Professor Friedrich Bender, president of the Federal Institute for Geosciences and Natural Resources (BGR) in West Germany. On the strength of this opinion, Dr. Bender believes that by 1995, Jordan can have the largest shale oil plant in the world.

Dr. Bender, who paid a three-day visit to Jordan in January at the invitation of the Natural Resources Authority (NRA) to give an expert opinion on the pre-feasibility studies already completed regarding Jordan's oil shale reserves, told the Jordan Times that the importance of utilising shale oil to produce energy in a country like Jordan cannot be underestimated.

Jordan's oil import bill is high and continues to increase rapidly as fast industrialisation is apace, he said. Hence, every chance to produce energy from the country's natural resources should be seriously considered in spite of any technological and financial risks that may be involved, he added.

Dr. Bender is more than adequately qualified to give an expert opinion on Jordan's natural resources. The BGR has been carrying out mine prospecting operations in many countries throughout the world. Moreover, Dr. Bender has had extensive field experience in Jordan. From 1961 to 1968 he was one of a team of German geologists prospecting for minerals and ground water in cooperation with the NRA. Since 1968, BGR has continued to cooperate with the NRA in hydrological and mining projects in Wadi Araba and other parts of Jordan.

Dr. Bender has based his favourable opinion on the utilisation of Jordan's oil shale deposits on several factors. To begin with, huge reserves of oil shale have already been proved in central Jordan by the BGR and the NRA. So far, Jordan's proven oil shale reserves total 1 billion tons with a recoverable or useable oil content of 100 million tons, according to Dr. Bender. Another equally important factor that has led him to believe in the viability of utilising Jordan's oil shale deposits to produce energy is that, "good geological reasons," another three to four billion tons of additional reserves can be expected to exist in central Jordan, between Amman and Ma'an, to the east and west of the desert highway. Dr. Bender also believes that substantial oil shale reserves are to be found in the northern area of the country near the Yarmouk University site. The presence of such huge oil shale reserves in Jordan would put the country at the fore of the world's shale oil producers, which include the United States, Morocco, Australia and Brazil.

Dr. Bender pointed out that these countries still have not fully utilised their oil shale reserves. Moreover, Jordan's reserves are among the best in the world with regard to their high-grade oil content, said Dr. Bender.

Another reason that has led Dr. Bender to believe that Jordan's oil shale reserves can be easily utilised is that these reserves are located in easily accessible areas. Basic transport networks already link these areas to the rest of the country, and Dr. Bender believes that the erection of oil shale plants close to reserves would not present too many problems with regard to the necessary infrastructure.

Finally oil shale can be easily mined by a relatively cheap and easy method known as "open-cut mining," which involves excavation by removal of the over-

lying soil and rock layers. The more expensive and laborious process of digging tunnels would not be required, Dr. Bender said.

Dr. Bender warned, however, that a gradual, step-by-step approach would be advisable in the erection of an oil shale plant and an accompanying electricity generating station because of the financial and technical risks inherent in such a venture. He had conveyed this opinion to His Royal Highness Crown Prince Hassan, he said, during a meeting with him to discuss Jordan's oil shale deposits.

Dr. Bender believes that two integrated demonstration plants should be erected in a suitable location near areas rich in oil shale reserves. One would be a plant for the extraction of oil from the mined rocks, while the other would utilise shale oil for the production of electricity. Such an approach would minimise the technical risks inherent in such a project by allowing a period of grace for discovering by trial and error the best methods of mining and energy production. A small-scale demonstration project would also minimise financial risks, which mainly exist because the rentability, or rate of financial economic returns, for such a project are still unknown, added Dr. Bender. Only the feasibility studies can give an accurate projection of the break-even figures and the rentability of a large-scale oil shale project. He expects that the full-fledged feasibility studies can be completed by the end of 1983. If a government decision for the erection of the two demonstration plants were to follow immediately, their erection could get underway by the beginning of 1984 and they would be completed by 1987, according to Dr. Bender. Provided that the demonstration plants run smoothly, scaling up to the final goal of a full-fledged oil-producing plant and electricity

generating station would then be technically easy, and could be achieved by 1995. Jordan would then have the world's largest oil shale plant, which could produce as much as 50 thousand barrels of oil a day.

Dr. Bender believes that Jordan will need highly qualified Jordanian geological experts and technicians to control the work of companies that will participate in such a project. He pointed out that many Jordanian experts had already been trained at BGR and were capable of very high quality work. He regretted, however, that most of them had either not returned to work in Jordan, or had left after a few years to take up more lucrative employment in oil producing countries and other parts of the world. He believes that more financial incentive should be provided by the government to curtail this brain-drain from which Jordan suffers.

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Prince Mohammad
Mohammad chairs
tourism
meeting

AMMAN (Petra) — The Higher Tourism Committee met at the Royal Court Sunday under the chairmanship of His Highness Prince Mohammad to review the provisions of a new draft law on tourism and amendments.

The new law is designed to organise the Jordanian tourism industry and to develop its various activities in coordination with concerned government departments.

It also aims at promoting the government's tourism sector to ensure its speedy development.

Zaben announces phones repaired Ajlouni blames contractors for violating specifications

AMMAN (Petra) — The Telecommunications Corporation (TCC) on Sunday completed the repair of all telephone lines "in Amman and all other towns in the Kingdom" which went out of order during the recent snow storm, Minister of Com-



Isam Ajlouni

munications Mohammad 'Addoub Al Zaben announced.

In a statement to the Jordan News Agency, Petra, Dr. Zaben, who is chairman of the TCC Board of Directors, said local, national and international telephone communication "has returned to normal."

He said a total of 1,105 telephone lines were damaged during last week's storm. These were mostly in Jabal Al Hussein, Jabal Amman, Ashrafiah and Downtown Amman, he added.

Meanwhile, Amman Mayor Isam Ajlouni presided in his office Sunday at a meeting which included representatives of the TCC, the Jordan Electricity Company (JEC), the Amman Water and Sewage Authority (AWSA) and all the companies contracted to carry out excavations and install telephone lines in Amman.

Speaking about the damage to Amman streets following the heavy rainfall, Mr. Ajlouni said the contractors did not adhere to specifications, particularly at crossroads which usually come under greater pressure because of traffic and rainfall.

Mr. Ajlouni urged the contractors to halt work during the winter season if rainfall actually causes delay in repairing damage resulting from installing telephone lines or does not lead to good results in the repairs.

The contractors' representative promised to apply "special technical measures" to avert the damage resulting from the rainfall and the pressure caused by traffic.

Mr. Ajlouni requested the contractors to obtain permits in advance from Amman Municipality for any digging in the capital, with the aim of coordinating between the contractors and the municipality's technical department.

Mayor Ajlouni decided to convene a similar meeting in the next few days to evaluate the efforts made by the contractors in doing the repairs and the extent of their adherence to specifications.



Mohammad 'Addoub Al Zaben

Negotiating skills seminar opens



AMMAN (Petra) — Arab Organisation of Administrative Sciences (AOAS) Director General Abdullah Al Zu'bi opened here Sunday a week-long seminar on negotiating skills. Dr. Zu'bi said the aim of the seminar is to contribute to the development of public administration in the Arab World.

Seminar supervisor Dr. Hussein Al Duri said at the beginning of the opening ceremony that this seminar, held for the first time in the Arab World, is significant in terms of making participants acquire negotiating skills.

Twelve participants representing 12 Arab countries are attending the seminar. (Petra photo)

NATIONAL NEWS BRIEFS

Algerian university team due

AMMAN (J.T.) — A delegation representing the Algerian ministry of education and scientific research will arrive here during the coming few days on a week-long visit to Jordan. The delegation, headed by Constantine University President Jilali Sari, will hold talks on teaching systems and the awarding of degrees at the University of Jordan.

Qatar given 45,000 saplings

AMMAN (Petra) — The Jordanian government has presented Qatar with 45,000 tree saplings, Minister of Agriculture Marwan Dudin said here Sunday. He said the saplings include cypresses, cinnamons and other forest trees.

Tal to open education HQ in Salt

SALT (J.T.) — Education Minister Sa'id Al Tal will inaugurate Monday the new headquarters of the Balqa Governorate Department of Education. Dr. Tal will also patronise a cross country race to be held in Shubeh the same day. Pupils from all over Jordan will participate in the race.

Dudin to chair AMO meeting

AMMAN (J.T.) — The board of directors of the Agricultural Marketing Organisation (AMO) will meet under Minister of Agriculture Marwan Dudin on Tuesday to discuss a number of financial issues and exports of vegetables and fruits to Iraq.

NCC committee debates tax draft

AMMAN (Petra) — A new draft law on income tax was reviewed by a joint session of the National Consultative Council's legal and financial committees Sunday. The joint committee, under the chairmanship of Dr. Khalil Al Salem, will hold another meeting Wednesday to pursue discussion. Attending Sunday's meeting were Finance Minister Salem Masa'deb Budget Director Sami Gammo.

Customs aide to visit Iraq

AMMAN (Petra) — Under-Secretary of Finance/Customs Yassin Al Kayed will pay an official visit to Iraq in the second half of this month at the invitation of the director general of Iraqi Customs, Yusef Mohammad. The visit is aimed at bolstering cooperation between Iraq and Jordan in customs affairs, according to Mr. Kayed, who also said that he will look into Iraqi customs systems.

Alia team off to AACAA meeting

AMMAN (Petra) — A delegation from Alia, the Royal Jordanian Airline, left for Saudi Arabia Sunday to take part in the sixth meeting of the Arab Air Carriers Association (AACAA) which will start in Jeddah Monday. Among other topics, the participants will discuss ways of depolluting air transport and the bye-laws of the Islamic Air Carriers Association (IACA). Alia, along with Iraqi Airways, will submit a proposal for establishing an Arab air cargo company. The two national carriers have already laid the foundation for such a company. A delegation representing Iraqi Airways also left here Sunday to take part in the three-day Jeddah meeting.

FICC to attend Taif meeting

AMMAN (J.T.) — The Federation of Jordanian Chambers of Commerce (FICC) will participate in the 26th session of the Arab chambers of industry, commerce and agriculture conference due to start in Taif, Saudi Arabia, on March 29, the federation said Sunday. The session will be followed by a conference for Arab businessmen and investors, which will be held under the patronage of Mecca Governor Prince Majed Ibn Abdul Aziz from March 30 to April 1.

Digs near completion

AMMAN (Petra) — Department of Antiquities Director General Adnan Al Hadidi Sunday inspected excavation work at Tal Al Habbat in the Jordan Valley region. The work conducted by the Department of Antiquities, in cooperation with the University of Arizona, is expected to end by the middle of next month. According to the Department of Antiquities, two other archaeological digs—at Tabagat Fahl (Pella) in the northern Jordan Valley and at Ain Ghazal, east of here—will be concluded during February.

Zarqa Basin plants to be closed

ZARQA (Petra) — The Zarqa Public Safety Committee held a meeting Sunday to discuss subjects pertaining to following up inspection of factories along the Zarqa River that were requested to install water treatment plants. Committee Chairman Salem Al Qudah, who is also Zarqa District Governor, said that factories that have not abided by the instructions will be prosecuted. At Sunday's meeting, the committee decided to destroy all greens grown along the Zarqa River which are watered by waste water, and adopted a number of measures to prevent pollution in the river basin.

Jordan Valley farmers get JD 447,000

DEIR ALLA (Petra) — The Jordan Valley Farmers Association gave JD 447,000 in loans to 500 farmers during 1981. These loans were spent on building green houses, irrigation canals and purchasing chemical fertilisers to develop agricultural wealth in the valley.

Kufr Asad to renew water pipes

IRBID (Petra) — Kufr Asad Municipality in Irbid Governorate has decided to renew the city's drinking water pipe network. Work on the 10 kilometre network, to cost JD 63,000, will start during March. Kufr Asad Municipality spent JD 20,000 last month on asphaltting 10,000 square metres of roads and building eight classrooms for the town's school.

EEC flour donation gets to Aqaba

AMMAN (Petra) — A shipment of 1,128 tonnes of flour has arrived in Aqaba Port as part of European Economic Community's donations to the United Nations Relief and Work Agency for Palestine refugees (UNRWA), an agency source said Sunday.

Sharkas urges publishers to give free copy to NLDA

AMMAN (Petra) — National Libraries, Documentation and Archives Director General Ahmad Sharkas on Sunday issued a circular to publishers, printing plants, public and private institutions and all those involved in publication, reminding them that the Department of National Libraries, Documentation and Archives is a centre for depositing all documents and publications, and urged them to send a free copy of every publication issued in the country to his department.

Dr. Sharkas said the circular is part of a campaign to officially preserve the Jordanian intellectual output which his department has been working for ever since its establishment.

Dr. Sharkas said the department has now a card index documenting all the national intellectual output.

He said his department will print in the next few days its first publication — a national bibliography for 1980.

This will be a prelude for a work which will continue to periodically monitor the national writing and publication movement, he said.



Ahmad Sharkas



Walid Asfour
Asfour to attend
Islamic, Arab
cooperation
conference

AMMAN (Petra) — Jordan will take part in a conference on industrial cooperation among Arab and Islamic countries which will open in Pakistan next Sunday.

During the three-day conference ways of bolstering cooperation among Islamic nations in the industrial fields and establishing joint industrial ventures will be discussed.

Jordan's delegation, led by Minister of Industry and Trade Walid Asfour, will leave here Monday to take part in the conference.

During his stay in Pakistan, Mr. Asfour will discuss with Pakistani officials bolstering economic and trade ties between Jordan and Pakistan.

The Jordanian delegation comprises several officials from the Ministry of Industry and Trade and the Jordan Phosphates Mines Company.

Amman to host seminar on social security plans

AMMAN (Petra) — The fourth Arab seminar on social security will be held in Amman in May.

Delegations representing 16 Arab states that apply social security schemes and representatives of Arab countries which have no social security legislation, will attend the seminar.

The participants will get acquainted with Jordan's experience in social security. They will also discuss several working papers.

dealing with workers and employers as regards social security, the inclusion of seasonal workers and workers employed on daily basis in the social security schemes, the use of computers in social security and the investment of surplus funds of social security corporations.

The last Arab social security seminar was held in Algiers in 1977.

Civil defence courses start in Irbid, Zarqa

RAMTHA (Petra) — A four-week training course on civil defence opened here Sunday.

Taking part are 45 school teachers who will receive theoretical and practical training on fire-fighting, first-aid and rescue operations, and will see films on civil defence work.

The director of civil defence here, who opened the course said that three similar training courses for employees of the Irbid District Electricity Company are underway, and plans have been laid for holding other courses for workers in Irbid Governorate.

The first such course will be held in Irbid's industrial zone next month, he said.

In Zarqa, District Governor Salem Al Qudah Sunday opened two courses on civil defence for teachers of the Awajan boys and girls schools.

Altogether, 60 teachers are taking part in the courses which will last two weeks.

WHAT'S GOING ON

Exhibitions

* Recent prints from Britain, featuring work by a number of contemporary British artists, at the British Council from 9 a.m. - 1 p.m., 4 - 6 p.m.

* Spotlight Germany, an exhibition of works by 11 of West Germany's best-known photographers, opens at the Goethe Institute at 6 p.m.

MECHANICAL ENGINEER A/C

CILCON LTD seeks employment of an expatriate experienced mechanical engineer with extensive experience in building construction and particularly in CMP programming. Candidate should be capable of co-ordination of other building activities especially structural, architectural and electrical trades. Experience of about 5 years preferable.

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Apply to P.O. Box 5011, Tel. 61293 - Mr. Raja Halazon.

Today's Weather

It will be partly cloudy, with chances of scattered rains in the eastern part of the country. The winds will be southeasterly moderate to fresh. In Aqaba, it will be partly cloudy with mild showers. The winds will be northerly moderate and the seas calm.

	Overnight low	Daytime high
Amman	1	10
Aqaba	4	19
Deserts	0	13
Jordan Valley	7	18

Yesterday's high temperatures: Amman 8, Aqaba 17. Humidity readings: Amman 30 per cent, Aqaba 41 per cent.

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DE FACTONOMICS

Rising expectations

One can easily observe the rapid change in behaviour and attitudes towards consumerism in the Arab World, and perhaps, to varying degrees, in other developing countries.

Thousands of Egyptian workers go home almost every evening carrying a radio, an overcoat and blanket. Jordanian workers of higher incomes carry with them on their way back from the Gulf television sets, blender mixers, and other electric appliances.

For higher income groups, there are more luxurious consumer goods such as very expensive houses, cars, videos, complete ready-made kitchens etc.

Many occasions are being celebrated where expensive

gifts are exchanged. Tours are now arranged for many parts of the world and you will be surprised to find that they are not short of clients.

These are expressions of the rising expectations in the Arab World. This phenomenon could have favourable results if expressed in a rise in production activities or even if some consumer goods were produced in Arab countries.

We realise that light industries are being established in Arab countries including Jordan. Nevertheless, we need to gear our industrial expansion to meet our needs plus those of neighbouring Arab markets.

There are many items which have sizeable demand to justify establishing local industries,

particularly in clothing, food and construction. Even in other areas, we can encourage the development of new ventures such as baby food, tooth paste, toys, pencils, school bags and many others.

The danger of rising expectation is not, however, limited to the continued rise of our import bill and the rising trade deficit. There are other economic and social negative consequences.

Rising expectations have affected the tempo of our daily life. Being motivated by the wish to accumulate more goods, the individual is not easily satisfied nor patient. A fresh graduate does not easily accept the time-consuming promotion one step at a time. A professional who

spends his career in one corporation or agency is becoming an exception. Very high turnover is noted in most establishments and personnel policies are not easy to handle.

Through the communication media, every citizen is now aware of the consumption habits of the high-income groups. There are no closed or isolated communities or sub-cultures. In our society, what has been termed as the revolution of rising expectations can happily interpret itself, through the open opportunities for a better life, in more consumption and imitation of new habits. In some societies, where social stratification still exists, such revolution ends up in frustration and restlessness.

Rising expectations have been affecting the way we bring up our children. In our childhood, we were satisfied if our parents apologised about not being able to buy us gifts. Now it is not acceptable not only by our children but also by us. A boy's pocket money may be as much as his father's. This has a double effect. It forces the parents to look nervously for new sources of income, and it spoils the children.

It is indeed surprising that these issues are not talked about openly, but are left to have their full impact on our society. You hear more complaints if there is a meat shortage and very little talk about punctuality and work ethics.

By T.A. Jaber

It would be an odd notion to remind others that some of the consumption habits are also imported.

Rising expectations is an understandable outcome, but we should guide it and influence its effects.

National guidance programmes may be helpful in this regard. Women voluntary associations can also do a lot in transforming hidden capabilities into something productive. Taxing the easy incomes of middlemen in every activity would tend to favour directly-productive activities.

Selling sense

THE CURRENT visit to the region of United States Defence Secretary Caspar Weinberger coincides with a series of meetings being held in the Gulf area among officials of the six-member Gulf Cooperation Council. The focus of both events is "security" in the area, both for individual states and collectively for the council members and other Arab states. The Weinberger visit will provide some people with an opportunity to condemn those Arab states that receive all or most of their military supplies from the United States. That is an easy and routine exercise without much meaning. The more important thing that has to be done, in our eyes, is for the Arab states in the Gulf and elsewhere to define more clearly their precise military and political relationships with the United States. The recent trend in the region, including Jordan and Saudi Arabia, both of which Mr. Weinberger is visiting, has been towards a slow diversification of one's military suppliers, with the West Europeans and the Soviets providing some supplies that had previously been purchased from the United States. Therefore Mr. Weinberger visits an area that has had a traditional arms supply relationship with the United States, and, in most cases, wants to maintain such a relationship. But gone is the time when one's "security" was synonymous with a regular supply of American arms. The Iranian example is the most vivid reminder of this fact that we can recall. The imperative facing the Americans now, in the Middle East, Central America and elsewhere, is to understand the distinction between selling arms and selling sensible political programmes based on the real needs of indigenous populations and states. The two are not mutually exclusive. Mr. Weinberger seems to be the kind of person who can grasp this concept.

'We have to be honest with ourselves and try to define our interests'

By H.R.H. Crown Prince Hassan

The following article is an adaptation of a lecture given by His Royal Highness Crown Prince Hassan Bin Talal to the Arab Bankers' Association in London last month

It is reputed that Thomas Jefferson once wrote: "I sincerely believe that the banking establishments are more dangerous than standing armies." I do not want to say that I share his opinion; but in these days of giant international banks, I am certainly willing to 'bank' on such a statement.

I would like to address some of the aspirations of the Arab people and Arab strategy in the eighties, in the hope of highlighting the ambitions and plans of 160 million Arabs and dispelling some of the distortions and mistaken impressions about them.

Let me start by unveiling some of these distortions. Arabs have been depicted for some time as an excessively wealthy few holding the world to ransom. Their emerging banking institutions have been described as instruments for centralising this wealth. It is true that a small number of oil-rich Arab countries have some of the highest per capita incomes, surpassing even those of industrialised countries. It is also true that they have large financial surpluses which offer the world banking system opportunities, while posing certain challenges. However, the population of most of these countries is quite small, a fact which tends to be forgotten when quoting per capita income figures.

Moreover, these income figures relate to a depletion of a non-renewable resource and its transformation from a physical asset into a financial one. In comparison, income from agriculture for any one year reflects the value of output which can, generally speaking, be realised on a sustainable yearly basis. The case is different with an oil well — the value of output is the value of a depleted resource which is lost forever.

Taken as a whole, the Arab countries have an average per capita income that in 1979 was about \$1,870, or about 18 per cent of that of the United States. In fact, the per capita income of the Arab oil exporters in 1979 was comparable to that of Israel. Thus, one must take into account the large demographic dimension of the entire Arab World when dealing with Arab wealth. If oil is excluded from the Gross National Product of the Arab states, the undeveloped situation of Arab economies becomes disturbingly evident.

To put things in perspective, the GNP of all Arab states is approximately equal to that of Italy, which has less than 40 per cent of the population of the Arab World. On the other hand, it is also a fact that some Arab states are among the least developed countries in the world.

Another issue which I would like to participate in clarifying is the alleged misuse of power by oil-producing countries. The OPEC countries, and particularly the Arab oil-producers, are being blamed for Western inflation and the current ill of the international economic situation. An easily recognisable scapegoat is thus available to take the blame for economic hardships, including inflationary pressures, unemployment and other problems facing the international financial system. It is forgotten sometimes, even by economists, that there exist business cycles involving phases of recession and prosperity, expanding employment, and inflationary pressures and real growth, all occurring with or without oil-price pressures. Some industrialised countries have had economic booms amidst rising oil prices, and recessions and unemployment amidst dropping oil prices. It is forgotten that some industrialised countries which are themselves producers or exporters of oil also have acute problems of inflation and unemployment.

The cost of oil, while slightly adding to inflationary pressures, is far from being the major source of inflation. Looking back at the inflationary experience of a giant economy like that of the United States, one can easily trace major causes of economic ills wrongly ascribed to oil and Arabs by some circles. Suffice to recall the recent remarks made by the president of the Federal Reserve Bank of New York, Mr. Anthony M. Solomon, that the two lessons of his country with regard to

inflation pertain to issues unrelated to oil. They are the reluctance to adopt comprehensive and inflationary programmes, and the underestimation of inflationary pressures in the periods when the U.S. economy was moving out of recession and passing through the initial phases of recovery. Further, the 'guns and butter' policies of President Johnson's administration in the mid-'sixties have a present bearing on the economic ills of not only the U.S., but also those of Europe and the Third World.

Coming from a country that has to import all of its energy needs and whose oil bill is almost equal to the value of its domestic exports, I believe that the distortions and half-truths on this subject need to be roundly exposed. The oil producers have tried to play a constructive role during the last

decade in dealing with the energy crisis, particularly if one looks at the production pattern of oil, the flow of aid to developing countries and the facilities and procedures adopted to ease the international payment problems. In terms of production, the Arab oil producers have been pumping oil well beyond their immediate development needs. As the major producer of oil Saudi Arabia has increased her oil production to make up for the shortage of supply due to the Iranian-Iraqi war while attempting to freeze the prices of oil. The OPEC countries are providing about 16% of world primary energy needs although they only have about 8% of total conventional energy resources. This is quite striking in view of the fact that oil in the ground is much more valuable than oil in today's marketplace. But these countries have felt an obligation to meet the needs of the industrialised world for energy, an act that is not always reciprocated. In the last 20 years the ratio of reserves to production in the OPEC countries has declined from 90 to 46 years, which shows the continuous depletion of oil in the Arab countries.

Regarding the use of oil surpluses, sizeable amounts of aid have been extended by the Arab oil-producers to help developing countries overcome their difficulties. One measure of this is the figure of 3.4% of GNP given as aid by the Arab oil producers, compared to less than 0.4% of GNP extended by the industrialised Western countries.

I am sure that bankers are more conversant with facts and figures pertaining to Arab financial surpluses than I am, but they will readily agree that Arab funds have not been utilised within the international economy in a destructive manner. They were never used to destabilise any economies or to achieve massive takeovers of Western or multinational corporations. If any criticism were in order, it would be that the manner in which these surpluses were utilised has been rather conservative. This is demonstrated by the fact that these financial resources have in some years earned negative rates of return.

The future of oil is likely to be at the centre of the energy scene for the next twenty years, hopefully facilitating an easy transition to new and renewable

energy sources. Therefore, the crucial role of oil does not reflect an imagined monopoly of power by the Arabs or a wicked design by oil producers; rather these are the effects of the market place. Further, the possible use of oil as a strategic weapon, as is often said, is practically doomed. In the short run, by oil supplies, excessive stocks, freezing of monetary reserves, and possible counter-measures like the denial of food, technology or armaments.

The Arab World has been feeling for some time the weight of conflicts and power rivalries over its resources. President Nixon wrote: "more than ever, the question of who controls what in the Persian Gulf and the Middle East is the key to who controls what in the world."

We are aware that our region is vital to the stability and welfare of the

is all the more urgent in the light of hints emanating from some industrialised countries at the use of their agro-power to serve their own goals against Arab interests.

Another priority area in the Arab strategy is the upgrading of human resources. In the year 2000 it is expected that the population of the Arab World will range between 270 and 300 million. It is not expected that the high rate of population growth will disappear even then. Moreover, about 50% of the population will be young — less than 20 years old.

This demographic structure will place added pressure on the limited amount of available services and infrastructure. Migration from rural to urban area is expected to intensify. The movement of workers among the Arab states themselves will continue, reflecting the demand for skilled manpower by the oil-rich states and other countries with labour shortages. Jordan offers a vivid example of this movement: we have over 300,000 skilled workers in the Gulf region, which has given rise to a labour shortage in Jordan. To fill the gap we have imported over 100,000 workers, most of them from Arab countries, and we expect this movement to continue in the next five years.

It is thus apparent that there is an urgent need for coordinating manpower mobility among the Arab countries and reducing the heavy reliance on imported labour.

The need to enlarge and improve vocational education programmes is urgently felt in all Arab states, even those with labour surpluses. Moreover, in two particular categories — the technician level and the post-graduate university level — there will be continued shortages. Hence, there is a need to upgrade and expand existing programmes and launch new ones. There should be an intensive effort aimed at utilising the already available high-level scientists and engineers in improving the scientific and technological capabilities of the Arab World. There are large numbers of highly trained Arab scientists and engineers who have migrated to the West; we hope that effective programmes can be designed to repatriate and utilize these talents.

The Joint Agreement on Arab Investments is a welcome and long-due step in inter-Arab economic relations. It offers a legal framework for the free movement of Arab capital. It grants Arab investors specific privileges while protecting the rights of the host countries. Among its special provisions are broad protective measures for citizens of other Arab countries to invest in economic activities allowed by law, enjoying the same rights and privileges as those enjoyed by the citizens of the host countries. The articles of the agreement constitute only a minimal level of possible concessions and guarantees. An interesting feature of the agreement is the stipulated concession for Arab investors and their families to reside in the country where they have made investments. Further, all funds invested within the jurisdiction of this agreement will be guaranteed against non-commercial risks with specific judicial arrangements to settle disputes regarding Arab investments within the Arab World.

The Arab Development Decade is a new concept in the future Arab outlook. It originated from an Iraqi proposal seconded by four Arab oil-producing countries: Saudi Arabia, Kuwait, the United Arab Emirates and Qatar. The core of this proposal is the allocation by these countries of a sum of five billion dollars over ten years, to be used in the narrowing of government and income gaps among Arab states. The funds will be used primarily for the benefit of the low income Arab countries to finance development projects on easy terms. Priority is given to areas which would strengthen Arab economic integration.

Following the summit, the finance ministers of the donor countries, who administer the funds, decided that priority be given to countries which have low per capita income levels. We believe that the concept of the Development Decade is a pioneering one and that it demonstrates a serious effort on the part of the Arab oil-producers at helping the other Arab countries. This additional avenue of financing should be open to projects ready for implementation in the 'inter-est of economic integration and national solidarity. It has recently been

realised that the adoption of a certain cut-off point of per capita income to identify those eligible for benefits is an arbitrary scheme, and steps are underway to review that yardstick.

The sum of five billion dollars spread over five years will not be sufficient to overcome poverty in the Arab world, but it is a welcome first step towards the utilization of oil resources on a pan-Arab scale and in a rational manner, protecting the rights of all parties involved.

In addition to aiding the needy Arab economies, oil-rich Arab states have gone overseas to cultivate investment opportunities for their surpluses, thereby participating in the development of non-Arab economies.

It has been estimated that the size of oil investments held by Arab oil producers in foreign countries exceeded \$370 billion at the end of 1981, with an investment income approaching \$35 billion. In 1985, the size of these investments is expected to exceed \$800 billion, and that is for governments only. Private foreign investments by Arab nationals are estimated to have reached \$40 billion in 1981, and are expected to rise to \$140 billion in 1985.

Most governments as well as private institutions of the U.S. and the U.K. if a part of these funds is recycled for use in the Arab World, the cost will of course go higher.

The foundation has been laid for unified Arab action, but that by itself is not sufficient. A lot of hard work needs to be exerted in order to build on these achievements. Such efforts require the active involvement of governments, individuals, development organisations and financial institutions.

The promotion of common Arab interests is a prevalent concern in all Arab countries, covering economic, political, cultural and other fields. But I believe that quite often ambiguity surrounds the rhetoric of common interests. We have to be honest with ourselves and try to define our interests. This is not an easy task by any means. If we take economic interests alone, we find several outstanding issues in need of clarification. Among these are: the degree of dependency on external sources for foreign trade, the desirable mix of domestic and Arab involvement in the economy of each Arab country and effective ways of eliminating disparities of income among the Arab states. It is a striking fact of Arab economic life that extreme wealth exists side by side with extreme poverty.

This is a threat to the stability of Arab society and it is wise to remember what Henry George wrote in the last century: "So long as the increased wealth which modern progress brings goes but to build up great fortunes, to increase luxury and make sharper the contrast between the House of Haves and House of Wants, progress is not real and cannot be permanent."

If the Arab World is to have a real chance of advancement and progress, ways must be found of achieving a true implementation of complementarity which exist in the Arab countries. Channelling some of the Arab surplus funds into the development of the Arab world itself is an insistent imperative.

It has been estimated that Arab funds held in Western banks are more than enough to buy the leading fifty banks in the world. However, not one of those is Arab. While we believe in international co-operation and exchange of expertise, much remains to be done to raise the level of Arab banking to correspond to Arab funds. The role of Arab banks in recycling the huge Arab financial surpluses has not been significant. All things being equal, the governments and central banks of Arab countries can do more to encourage Arab banks in this matter. The Arab people expect more of Arab banks in the West. Some of them see the expansion of these banks and the investment of funds in the West as a form of escapism, with Arab capital leaving the Arab World to establish a run-away banking system. This is particularly frustrating for some Arab countries who have to borrow urgently needed funds from the West — most likely Arab funds, through middle banks or institutions. Obviously there should be a remedy to this one-way traffic. I believe there is much you can do to reduce the costs of funds and act as a bridge between the West and the Arab World.

ARAB PRESS COMMENTARY

The greatest defeat

AL RA'I: The United Nations General Assembly yesterday recommended that the international community should isolate Israel and impose a political and economic embargo on it. This recommendation is the biggest political defeat ever inflicted on Israel whose foreign ministry issued a statement saying that the General Assembly's action was illegitimate.

Despite the fact that the United States and the European group, except Greece, voted against the recommendation, the majority of other members approved the recommendation, including five states that have relations with Israel. This outcome expressed the strong international will to punish Israel for its belligerence.

The General Assembly can rely on this recommendation in future if it chooses to prevent Israel from attending its sessions. This is likely to happen and it might be the reason why the United States threatened to cut on its commitments towards the international organisation. Furthermore, this recommendation has regrettably exposed ill will on the part of the European Community. Other states adopted a brave stand and supported the recommendation to punish Israel. Such states like Cyprus, Nepal, Burma and Peru should implement the recommendation they supported and sever relations with Israel.

These stands which have been revealed at the General Assembly are significant to the Arabs who should not treat their friends and foes alike.

Aggression rejected

AL DUSTOUR: The United Nations General Assembly has passed a resolution recommending the imposition of punitive measures on Israel for refusing to rescind its decision to annex the Golan Heights. Although this recommendation is not binding to the members, it is a new political step that will step up the isolation of Israel and increase world condemnation of Israel's policy of aggression.

The General Assembly resolution confirms the belief that the Zionist entity is not qualified to remain a member in the international organisation. It also stresses the importance of imposing decisive measures capable of curbing Israel's appetite for expansion, terrorism and aggression.

The states that voted in favour of the resolution have stressed international condemnation of the United States' stand and international rejection of U.S. hegemony and Israeli blackmail. Washington resorted to pressure and threats at the Security Council and the General Assembly because it understood that its role as Israel's partner would be exposed. What proves the importance of this resolution is the fact that the Israeli cabinet will hold a special session in order to discuss the resolution and its stand thereupon. The likely outcome of this session would be more defiance and anger on Israel's part.



'Arabs have been depicted for some time as an excessively wealthy few holding the world to ransom... To put things in perspective, the GNP of all Arab states is approximately equal to that of Italy.'

ECONOMY

Supply-side economics: A symposium

A wide-ranging discussion about supply-side economics—its origins in classical economics, its relevance to tax policy, and its anticipated impact on the U.S. economy through the programmes of the Reagan Administration—is featured in this article taken from a symposium organised by the Morgan Guaranty Trust Company, a large New York-based financial organisation.

The participants are Arthur Laffer, professor of economics at the University of Southern California; Irving Kristol, co-editor of *The Public Interest*, a scholarly U.S. journal, and author of the recent book, *Two Cheers for Capitalism*; Paul Craig Roberts, Assistant Secretary of the Treasury for Economic Policy; and John Rutledge, president of Claremont Economics Institute, a forecasting and consulting firm.

Moderator: What is meant by the term supply-side economics? Is it really as revolutionary as some claim?

Dr. Rutledge: Supply-side economics is part of a bigger revolution in the economics profession which recognises that the basic unit under study—the human being—can think, calculate, speculate and respond to market incentives. In this sense, supply-side economics shares the stage with "rational expectations" and "efficient markets" as concepts which sharply distinguish economics from the physical sciences by focusing on the human element of economic agents. The basic points of the supply-side arguments are very important. First, output is the direct result of inputs. Second, these inputs respond to incentives. Clearly, taxes on productive effort and on the accumulation of capital represent a serious impediment to output, employment and our living standards. I worry sometimes, however, that many supply-siders focus on too narrow a definition of "taxes."

The tax burden, of course, is not only personal and corporate taxes. And its scope goes beyond the burden of government spending. In reality, the tax burden should be defined as the amount of resources that the government accumulates, acquires and destroys—with the emphasis on the third.

Resources are destroyed by the government when its policies force the price level so fast that it wipes out the market value of securities—the inflation tax. The way I measure taxes is by adding the inflation taxes on securities and the inflation taxes on money holdings to standard measures of taxes. When I do, I find that something like two-thirds of all such taxes are not taxes shown in the government budget. It then follows that the number one supply-side priority, in my view, is inflation control.

Dr. Laffer: Supply-side economics is nothing more than classical economics

in modern dress. It basically looks to incentives. People alter their behaviour when incentives change. If you make an activity more attractive, people will engage in more of that activity. If you make an activity less attractive, people do less of that activity. And through the implementation of changes in taxation, regulation, government spending, and through all sorts of government actions on the economy, you change people's behaviour. As far as I can tell there is nothing libertarian about the supply-side programme. It can be run as a state enterprise just as well as a private enterprise.

Dr. Kristol: The basic premise is that if tax rates are too high, that discourages economic activity. You can't tax too much and you can't get more economic growth. That is the essence of what we call supply-side economics. There is absolutely nothing new about it.

Dr. Laffer: Classical supply-side economics argues that there are three basic general principles involved. One is how you collect taxes. The more progressive the tax code, the lower output will be. Second, how much you collect also matters: the total level of taxes matters in the performance of the economy. Third, how you spend the money you have collected in taxes also matters. All three of these principles matter a great deal.

Moderator: Why is it that so many economists disparage the supply-side approach?

Dr. Roberts: Two reasons, I suppose. Many economists used to feel that economic success can only be achieved if government manipulates and punishes. These "interventionists" feel threatened. Secondly, Keynesianism was a convenient way for the government to acquire larger and larger claims on the economy's resources without having to legislate higher tax rates. So in that sense, the supply-side approach is politically threatening to

the kinds of vested interests which benefit from large spending programmes. Between the two, you have a great deal of opposition.

Moderator: But don't Keynesians believe in cutting taxes, too?

Dr. Roberts: Their reasons for cutting taxes are profoundly different from ours. Keynesians have taught everyone for so long that to have a tax cut is to have a stimulative fiscal policy, and a stimulative fiscal policy means more spending, more demand, probably higher inflation, and in the Keynesian context it always means a budget deficit. Indeed, the very reason for cutting the taxes was to produce a budget deficit in order to add to aggregate demand.

That is the way tax cuts are perceived, given the dead hand of the past. Now the Reagan Administration's thinking is totally different. The reason we are cutting taxes is to reduce the marginal rate of taxation. That is, we are cutting taxes on additions to income, and the reason we want to do that is to change relative

prices rather than raise total demand. Let me explain how changes in two relative prices can influence the supply side of our economy. First, relative prices influence how people allocate their income between current consumption and saving. A decision to allocate additional income to current consumption is simultaneously a decision to forego a future income stream generated by saving. The value of the foregone future income is affected by the marginal rate of taxation. The higher that marginal rate is, the cheaper it is for a person to engage in additional current consumption.

Moderator: Can you illustrate that point?

Dr. Roberts: Yes, with what I call the parable of the Rolls Royce. It is the case of a person facing the 98 per cent marginal tax bracket on earned income. With \$50,000 he must decide whether to buy a car or to invest the money and earn 17 per cent interest.

On a pre-tax basis, he is looking at a future income stream of \$5,000 a year from the \$50,000. On an after-tax basis, he is looking at a future income stream of \$170 a year. So, after tax, the price of the Rolls Royce automobile is simply to forego a mere \$170 a year of interest income. Consumption, in this instance, is clearly more alluring than saving.

Another important relative price governs how people allocate their time—for work, leisure, entertainment or to pick up additional skills.

Here again, if you allocate a unit of your time to leisure you must forego some amount of current income that could be earned by working. The value of the foregone current income is a function of marginal tax rates. The higher the marginal tax rate, the cheaper it is to engage in leisure.

Since 1965, there has been an enormous increase in marginal tax rates. For a median income family, that family has experienced a 65 per cent in-

crease in marginal tax rates as inflation has pushed people into higher tax brackets.

The family with twice the median income has experienced almost a 100 per cent increase in marginal tax rates. This means that every year leisure and current consumption are becoming cheaper and cheaper in terms of foregone income from working or saving. This affects things like work attitudes, absenteeism rates, willingness to accept overtime, saving rates and willingness to assume risks.

The whole approach of the Reagan Administration is to remove deficits from being an instrument of policy. That change ought to be very at-

ttractive as compared to the Keynesian approach, where an unbalanced budget has traditionally been a principal instrument of policy.

Moderator: What makes you optimistic that tax cuts can be such a powerful force? Is there an historical precedent?

Dr. Laffer: I think the evidence is quite strong on a scientific as well as an anecdotal level. Puerto Rico, with its 30 per cent across-the-board tax cut, is a good example. Chile clearly has performed well along the line of restraining private and personal incomes. Take California and Proposition 13. Or in New York State, where marginal rates have been cut and forecasts of a budget deficit of \$850 million are turning out to be a surplus of \$100 million in the state budget for the current fiscal year.

Also, if you look at countries like the Federal Republic of Germany and Japan, where marginal tax rates have been cut, their performance has been superior. It goes back to classical economics, the research done in trade theory. Moreover, there is a huge body of evidence generated in the 19th century that shows that incentives do play a major role in growth and employment.

Moderator: More recently, does it include the tax cut by President John F. Kennedy in 1963?

Dr. Roberts: Yes, indeed. Let's ex-

amine that experience. Consumer spending as a percentage of income fell after the Kennedy tax cut. The personal saving rate moved up strongly. Indeed, the immediate gain in real personal saving was about three-fourths the size of the tax cut, and by the fourth year it was 121 per cent of the tax cut. As a consequence, the growth in business capital spending, in real terms, which had expanded at a 4.2 per cent annual rate between 1959 and 1963, jumped up to 12.9 per cent annual through the next three years. The empirical footprints of response to incentives are there and they are rather clear.

Moderator: But the Kennedy tax cuts

willingness to accept overtime rises enough that the work week is lengthened by a half hour, then you are talking about an additional \$25,000 million in output. If absenteeism rates drop by one-half a percentage point, you are talking about an additional \$10,000 million of gross national product (GNP). So relatively small changes or relative low responses by individuals can have large aggregate effects.

Moderator: Dr. Rutledge, your views on the tax cut are somewhat different. Why?

Dr. Rutledge: In my opinion, the "whopping" tax cut, which everybody plays up, is not really much of a cut at

all. Federal taxes have been running at about 21 per cent of GNP. Three years from now, after all this massive tax cutting, taxes will be about 20 per cent of GNP. So the tax load gets reduced by only one percentage point. If real GNP grows by more than one per cent over the next few years, the total tax burden will rise. That is not a big tax cut. In my opinion, it's really a tax freeze. To be sure, it is a necessary one, and the Reagan tax approach does provide needed restructuring by lowering the top brackets and providing incentives for savers. But I wouldn't expect much economic "juice" from such a small reduction.

Actually, about eight out of the 10 bullets in the supply-side programme are aimed at trying to pull down demand and coming from the government sector by either cutting spending, or cutting the rate of growth of the money supply, or freeing up business resources through less government regulation. I would characterize the programme as an interest rate/inflation control plan geared to get investments going by providing longer-term funds in financial markets.

Dr. Kristol: What we are getting is a freeze on individual tax rates over the next two and a half to three years. That is it. So, we are getting a lot of other things. But I believe this tax cut is too small and I myself do not perceive it as especially ideological.

Moderator: Have political con-

siderations crept into Administration policies?

Dr. Kristol: I think the political aspect—one which I call the populist element in supply-side economics—is absolutely crucial. An interesting question is: Why did President Reagan hitch his horse to supply-side economics? I think it is because he has very good political instincts. He did not want to put the economy through the wringer. For him that is the key consideration, in my opinion.

Moderator: Could we probe a bit more deeply into the linkage between supply-side economics and a cure for inflation? Specifically, might Administration projections on lower inflation take longer to achieve than forecast?

Dr. Rutledge: Prices can and do move very quickly. And the reason they move quickly is that people are not stupid. They set prices with an eye on the government.

Dr. Kristol: I don't think anyone ever claimed supply-side economics in and of itself is a solution to inflation. If the government wants to inflate, it can still do so even if it adopts supply-side policies.

Dr. Laffer: In my view, the heart of the problem is this: the government has a quasi-monopoly on the liabilities of the monetary authority, and as such it has been operating all along trying to control the growth rate and the quantity of these liabilities in order to bring inflation under control.

I don't think that approach can work. Being a classicist in my own perception, I think the only thing government should do is to produce a quality product—the money supply—as opposed to regulating the quantity of that product in the marketplace. I think the government should guarantee the purchasing power of the U.S. currency.

Moderator: Are you suggesting convertibility of the dollar into gold?

Dr. Laffer: Yes, I am. Inflation is a monetary phenomenon. It requires a monetary solution, and the only monetary solution I know of is to make the dollar convertible, to guarantee its purchasing power.

Dr. Rutledge: I agree with the basic point: the problem of inflation is that there is no discipline over governments. But I am very skeptical that there is going to be a return to the gold standard. What government wants to put itself in a straitjacket?

Moderator: Participants in financial markets seem concerned about the consequences of large deficits in the federal budget. Dr. Roberts, would you address that concern?

Dr. Roberts: Everything is fine, they say, except the budget isn't balanced quickly enough. Why doesn't the administration take money out of the tax cut and put it in revenues, and thus balance the budget more quickly?

Now, it doesn't work that way. You can't look at the government budget as if it were an accounting document in which you can move something from one line to another. If you take the

approach of "let us raise taxes and balance the budget first," you inhibit economic growth, increase the need for more government spending, and therefore the deficit stays where it is.

And the crucial difference is that this approach moves you further away from the path that will bring you to a balanced budget. You stay in the mode of the permanently unbalanced budget, because of the persistence of a weakly performing economy.

I think that is something that has been widely overlooked. People—and, unfortunately, many financial-market participants—are so conditioned by the past approach to deficits that they haven't quite caught on that in this new policy the deficit is an almost irrelevant side effect of restructuring the tax code. As I said earlier, in our approach deficits are removed from being an instrument of policy.

Moderator: Is the programme fair or does it favour some segments of society over others?

Dr. Kristol: If the programme leads to economic growth, it will be good for everyone. I think that is fair. But if you identify fairness with equality, then obviously you have another point of view. In a society such as ours, some people simply will do better than others. I believe that most Americans accept the fairness of the market system plus the security net, a safety net for those who can't compete. That is almost noncontroversial within our society.

Dr. Laffer: It is fair. It is a very important concept. I would be upset with a programme if I felt for a moment that the lowest echelons of our society were not going to improve enormously. I want to state sharply that the supply-side model is not a prescription for the elimination of government. It is a prescription for using government in a beneficial way to make all of us better off.

Dr. Kristol: Obviously, I expect low-income people to benefit. But one of the interesting things about economic growth is you never know who will benefit most. It is not predictable. **Moderator:** A number of economists are concerned that the Administration's economic growth plans will clash with an unaccommodative Federal Reserve intent on restricting credit expansion in order to curb inflation. Do you lie awake at night worrying about that?

Dr. Roberts: Yes, I do. But then I worry about what things would be like if we had a programme calling for larger deficits to stimulate consumption and to fight unemployment, and for more public-sector programmes to deal with inequalities by redistributing income and expanding by redistributing income and expanding public sector jobs to make up for the private sector jobs that were not being provided. And I think if I had that programme to defend I would be even more worried.

—Morgan Guaranty Survey

JORDAN TIMES DAILY GUIDE

JORDAN TELEVISION

20:30 Evening Show
21:00 News Summary
22:00 News Headlines

CHANNEL 3

5:30 Koran
5:50 Laurel and Hardy
6:10 Children's Programme
6:30 Children's Programme
7:30 Local Programme
7:50 News in Arabic
8:30 Arabic Series
9:20 Panorama
10:15 Boxing
11:05 News in Arabic

CHANNEL 6

6:00 French Programme
7:00 News in French
7:30 News in Hebrew
7:45 Environmental Protection
8:00 News in Arabic
8:30 Comedy: Taxi
9:10 Hart to Hart
10:00 News in English
10:15 Brideshead Revisited
11:05 News in Arabic

RADIO JORDAN

855 KHz AM & 99 MHz FM

7:00 Sign on
7:01 Morning Show
7:30 News Bulletin
7:40 Morning Show
10:00 News Headlines
10:05 30 minute Theatre
11:00 Sign off
12:00 News Headlines
12:05 Pop Session
13:00 News Summary
13:05 Pop Session
14:00 News Bulletin
14:10 Instrumentals
14:30 The Elton John Story
15:00 Concert Hour
16:00 News Summary
16:05 Instrumentals
16:30 Old Favourites
17:00 French way of Life
17:30 Pop Session
18:00 News Summary
18:05 Sports Round-up
18:30 North by Sea
19:00 News Desk
19:30 Instrumentals

VOICE OF AMERICA

6:30 The Breakfast Show: 06:30
News, Pop music, features, listeners' questions 17:00 News Roundup: reports, opinion, analyses
17:30 Dateline 18:00 Special English: news, feature "The Making of a Nation" 18:30 News Music USA
19:00 News Roundup: reports, opinion, analyses 19:30 VOA Magazine: American science, culture, letters 20:00 Special English: news 20:15 Music USA (Jazz)
21:00 VOA World Report 22:00 News, Correspondents' reports, background features, media comments, analyses.

AMMAN AIRPORT

NOTE: The following airport arrivals and departures are provided to the Jordan Times by the Airline Information Department at Amman Airport. Tel. 92205-6. They should always be verified by phone before the arrival or departure of the flight.

ARRIVALS

8:00 Cairo (EA)
8:55 Agaba
9:00 Cairo
9:00 Damascus
9:30 Jeddah
9:40 Dhahran
9:45 Kuwait
9:50 Muscat, Dubai
10:00 Doha, Bahrain
10:10 Beirut, Larnaca
10:15 Abu Dhabi
10:55 Kuwait (SR)
14:15 Tripoli (LA)
14:25 Moscow (SU)
15:30 Kuwait (KAC)
15:35 Jeddah, Medina (SV)
16:25 Beirut
16:45 Bangkok
17:00 Athens
17:20 Cairo
18:05 Amsterdam, Beirut (KLM)
18:05 London (BA)
18:30 Paris (AF)
20:30 Cairo (EA)
20:30 Beirut (MEA)
00:20 Cairo (EA)
01:00 Baghdad

DEPARTURES

01:15 Cairo
02:00 Baghdad
03:00 Cairo
06:15 Frankfurt (LH)
06:30 Damascus
07:00 Agaba
09:00 Cairo (EA)
09:25 Beirut (MEA)
11:00 Amsterdam, New York
11:15 Athens
11:30 Cairo (SR)
11:45 Geneva, Zurich (CS)
11:45 Tunis, Madrid
12:00 Paris, London
13:00 Beirut
15:10 Tripoli (LH)
15:30 Moscow (SU)
16:30 Kuwait (KAC)
16:35 Medina, Jeddah (SV)
19:15 Dhahran
19:30 Jeddah
20:00 Cairo
20:15 Baghdad
20:30 Abu Dhabi, Dubai
21:30 Cairo (EA)
22:00 Baghdad
01:15 Cairo (EA)

EMERGENCIES

DOCTORS:
Abdul Aziz Al Jamal 36149
Mohammad Kamal Abbasi 24561
Zarga:
Mufid Damrah 85512/83047
Irbid:
Fakhri Haddad 3109
PHARMACIES:
Amman:
Al Salam 36730
Al Hayah 24636
Fattaleh 37130
Qadiri 69448
Sarah 71140
Zarga:
Nuba (—)
Irbid: (—)
Khazir 3085
TAXIS:
Al Khayyam 41541

CULTURAL CENTRES

American Centre 41520
British Council 36147-8
French Cultural Centre 37009
Goethe Institute 41993
Soviet Cultural Centre 44203
Spanish Cultural Centre 34049
Turkish Cultural Centre 39777
Haya Arts Centre 65195
Al Hussein Youth City 67181
Y.W.C.A. 41793
W.M.A. 64251
Amman Municipal Library 36111
University of Jordan Library 84355/84366

SERVICE CLUBS

Lions Philadelpha Club. Meetings every second and fourth Wednesday at the Grand Palace Hotel, 1.30 p.m.
Lions Amman Club. Meetings every first and third Wednesday at the Intercontinental Hotel, 1.30 p.m.
Rotary Club. Meetings every Tuesday at the Intercontinental Hotel, 2.00 p.m.
Philadelpha Rotary Club. Meetings every Wednesday at the Holiday Inn, 1.30 p.m.

MUSEUMS

Military Museum: Collection of military memorabilia dating from the Arab Revolt of 1916. Sports City, Amman. Opening hours 9 a.m.-4 p.m., Sunday to Friday. Closed on Saturdays. Tel. 64240.
Folklore Museum: Jewellery and costumes over 100 years old. Also mosaics from Madaba and Jerash (4th to 18th centuries). The Roman Theatre, Amman. Opening hours: 9.00 a.m. - 5 p.m. Year-round. Tel. 51760.
Popular Life of Jordan Museum: 100 to 150 year old items such as costumes, weapons, musical instruments, etc. Opening hours: 9.00

CHURCHES

Church of the Annunciation (Roman Catholic) Jabbal Lw-
St. Joseph Church (Roman Catholic) Jabbal Amman 24590
De la Salle Church (Roman Catholic) Jabbal Hussein 66438
Church of the Annunciation (Greek Orthodox) Abdali 23541
Anglican Church (Church of the Redeemer) Jabbal Amman 23885
Armenian Orthodox Church Ashrafieh 75261
Armenian Catholic Church Ashrafieh 71331
Amman International Church (inter-denominational): meets at Southern Baptist School in Shm-eisani 63249

PRAYER TIMES

Fajr 5:00
Sunrise 6:26
Dhuhr 11:50
Asr 2:52
Maghreb 5:15
Isha 6:40

LOCAL EXCHANGE RATES

Saudi riyal 100.3/100.6
Lebanese pound 71.2/71.8
Syrian pound 57.9/58.4
Iraqi dinar 1206/1210
Kuwaiti dinar 341.4/346.3
Qatari riyal 94.9/95.3
UAE dirham 93.4/93.8
Omani riyal 991/996.6
U.S. dollar 343/345
U.K. sterling 638.3/642.1
W. German mark 146.1/147
Swiss franc 181.9/183
French franc 57.4/57.7
Italian lire 27.4/27.6
Japanese yen 146.5/147.2
for every 100
Dutch guilder 132.2/134
Belgian franc 85.5/86
Swedish crown 59.9/60.3

USEFUL TELEPHONE NUMBERS

Ambulance (government) 75111
Civil Defence 61111
Jordan Electric Power Co. (emergency) 36381-2
Municipal water service (emergency) 71125-6-7-8
Police headquarters 39141
Najdah roving patrol rescue police. (English spoken) 24 hours a day for emergency 31111, 37777
Airport information (ALIA) 92205/92206
Jordan Television 73111
Radio Jordan 74111

LOCAL EXCHANGE RATES

First aid, fire, police 199
Fire headquarters 22090
Cablegram or telegram 18
Telephone:
Information 12
Jordan and Middle East trunk calls 10
Overseas radio and satellite calls 17
Telephone maintenance and repair service 11

MARKET PRICES

Tomatoes 220 140
Eggplant (large) 190 150
Potatoes (imported) 110 80
Marrow (small) 260 220
Marrow (large) 200 150
Cucumber (small) 440 380
Cucumber (large) 350 250
Hot Green Pepper 440 340
Sweet Pepper 300 250
Cabbage 120 80
Onions (dry) 130 100
Green onions 180 120
Garlic 500 400
Spinach 90 60
Coconut (piece) 380 300
Beans 420 350
Bananas 260 200
Bananas (Mukammar) 225 180
Local Potatoes 140 100
Broad Beans 350 300
Apples (Golden) 260 200
Apples (Double Red) 260 200
Apples (Starken) 230 180
Lemons 150 100
Oranges (Abu surra) 180 150
Oranges (Shamouti) 220 160
Oranges (local) 120 100
Oranges (French) 160 120
Cauliflowers 90 70
Fangerine 230 180
Bomali 200 150
Carrot 150 120
Turnips 170 140
Chestnut 540 500
Grapefruit 100 80
Beet 100 70
Lettuce (a head) 100 70
Mandarin oranges 230 180
Cauliflowers (local) 240 200

SPORTS

Injuries threaten Franz Beckenbauer's return to World Cup soccer scene

BONN (R) — Injury, the cruel ruin of many a football dream, threatens Franz Beckenbauer's hopes of returning to the World Cup stage for a fourth time.

"Kaiser" Franz, who captained West Germany to victory in the 1974 World Cup final in his native Munich, had hoped to crown his last season by helping his country regain the trophy in Spain this summer.

But injury has dogged him for the past six months and, hauled off before the end of another match last Saturday, he no longer dares think beyond the next game, let alone Spain next June.

"At the moment the question of the World Cup does not even arise. First I've got to get over this strained muscle and then we can look ahead," he said.

Beckenbauer was only 20 when he played in the West German side which lost to England in the 1966 Wembley final. Four years later he was in the side which finished third in Mexico. Now, at 36, the injuries take longer to heal and time is slipping away for the most elegant of defenders.

"Up till now I've been very lucky as far as health goes, but it seems to be catching up with me now. I'm older. It's almost embarrassing for me to have to lay off again," Beckenbauer added.

Beckenbauer, who has played in only seven of his Hamburg's 18 league matches this season, hopes to be fit again.

His problems began back in August when he suffered a groin strain taking a penalty in a pre-season tournament in Brussels. He played his first league game on



October 24 but five minutes from the end tore an achilles tendon.

The ill luck continued last month at a team training camp in Thonon, France, when he pulled a muscle in his left thigh. Since then Hamburg's Austrian trainer Ernst Happel has risked him for 21 minutes in a cup game and the first half of his last league duel against Borussia Dortmund.

Sadly, the injuries could persuade national team chief Jupp Derwall to abandon thoughts of picking Beckenbauer for the rigours of the World Cup finals.

West Germany badly missed his steady influence in their—disastrous showing in Argentina four years ago, though they are a more reliable side now, as their 1980 European championship triumph showed.

Beckenbauer gained the last of his record 103 West German caps before he left for a lucrative spell with New York Cosmos in the North American soccer league in 1977.

Hamburg, seeking someone special to replace England's European Footballer of the Year Kevin Keegan, brought him back to the Bundesliga in 1980 at a yearly income of 1.25 million marks (\$550,000), much from advertising.

Beckenbauer, whose Bundesliga comeback coincided with the Pope's arrival on a visit to West Germany, soon revived memories of his imperious unhurried skills of old.

The man who steered Bayern Munich to the European Cup in the years 1974-76 could still control a game from the back and find team-mates with raking, defence-splitting passes lesser players would never have thought of, let alone tried.

With soccer pundits predicting his return to the national team, those injuries, however, have forced manager Derwall to hesitate.

Sweden's Stenmark makes history at Schladming



Ingemar Stenmark on his way to his third consecutive world title.

SCHLADMING, Austria (R) — Sweden's Ingemar Stenmark made skiing history when he won the slalom gold medal at the world championships here Sunday.

Stenmark, 25, had a combined time of one minute 48.48 seconds and clinched an unprecedented third consecutive world title. He was first in the 1978 championships and collected another gold medal at the 1980 Winter Olympics.

Bojan Krizaj of Yugoslavia achieved his country's best ever result by taking the silver medal with 1:48.90, while Bengt Fjallberg showed the Swedes have more

than Stenmark to offer by grabbing the bronze medal in 1:49.32.

The top challengers from the United States, twins Phil and Steve Mahre, had a terrible day and neither finished the race.

Steve, the giant slalom champion, missed a gate midway down the first of today's two runs and, though he finished, he did not start the second leg.

Phil, the world Cup holder and virtually assured of a second title, ended a dismal week by missing a gate early on the second run and pulling up. He was eliminated on the opening run of the giant slalom on Wednesday.

American Hodge wins Beppu-Oita marathon

BEPPU, Japan (A.P.) — Robert Hodge of the United States overtook Japan's unheralded Yoshihiko Nishimura in the last half-mile of the Beppu-Oita marathon Sunday to win the title over a field of more than 312 runners from around the world.

The 28-year-old from Lowell, Massachusetts, covered the 42.195 kilometres distance in two hours, 15 minutes and 43 seconds under sunny skies and 7.0 degree Centigrade temperatures.

The time was slower than the 2:10:59 clocking set at Eugene, Oregon, where Hodge won the 1980 Nike marathon race. He placed third in the 1979 Boston race earlier in his six-marathon career.

By taking the marathon title, pre-race favourite Hodge became the first foreign runner to win the 31-year-old annual event held in Oita prefecture (state), Northern Kyushu.

Hodge was one of the early lead-

ers but dropped back 34 kilometres into the race. As the race neared the finish line, the strong-running American made a determined comeback and caught Nishimura at the 41 kilometre point. He finished about 100 metres ahead of the Japanese contender.

Nishimura, who almost became the first hometown boy to win the race, was second in 2:15:30.

Australia's Greenville Wood was third in 2:16:45 followed by Sweden's Kjell Erik Stahl, winner of the first Beijing marathon last September, who came in at 2:17:16.

Toshihiko Seko, Japan's top marathoner, and defending champion Shigeru Soh and his twin brother, Takeshi, did not run in the race.

Japan's top entry, Katsuhiko Tachikawa, who came into the race with the latest recorded time among the Japanese entries at 2:15:33, finished in tenth place in 2:19:42.

GOREN BRIDGE

BY CHARLES H. GOREN

1981 by Chicago Tribune

your only wasted card opposite partner's almost certain singleton. We would not quibble with the scientific approach of first cue-bidding the ace of hearts before sup porting diamonds.

Q.1—East-West vulnerable, as South you hold:

♠1097 ♥AK742 ♦75 ♣843

North East South

1 ♠ 2 ♠ ?

What do you bid now?

A.—You hand is worth just one forward going bid. If you were to bid two hearts and partner then bids two spades, you won't be sure whether to pass or bid on. Bid two spades now, and then go on to game if partner makes even the slightest move.

Q.2—Neither vulnerable, as South you hold:

♠KJ652 ♥94 ♦872 ♣952

The bidding has proceeded:

North East South

1 NT 2 ♠ ?

What action do you take?

A.—After an opponent has overcalled your partner's no trump opening bid, any simple action by you is competitive and doesn't promise much more than a reasonable five-card suit. So bid two spades. Had you wanted to force, you would either have to cue-bid the opponents' suit or jump the bidding.

Q.3—Both vulnerable, as South you hold:

♠K6 ♥A38 ♦Q865 ♣QJ96

The bidding has proceeded:

South West North East

1 ♠ Pass 2 ♠ Pass

2 NT Pass 3 ♠ Pass

3 NT Pass 4 ♠ Pass

What do you bid now?

A.—Up to now, you have done nothing but show partner that you have a minimum opening bid. Now it is your duty to tell him that you have some key cards in his suits and excellent support for his second suit. Jump to five diamonds. Chances for slam are bright because your hands appear to fit well—the jack of hearts seems to be

Q.4—East-West vulnerable, as South you hold:

♠J8 ♥KJ74 ♦AKJ93 ♣63

The bidding has proceeded:

South West North East

1 ♠ Pass 1 ♠ 2 ♠ ?

What do you bid now?

A.—You have a bare minimum opening bid, and partner's response has not improved your hand one iota. You should not take any voluntary action—even to rebid a good suit at such a low level—without something in reserve. Pass. Partner can reopen the auction if he has values.

Q.5—East-West vulnerable, as South you hold:

♠A1065 ♥7 ♦AK63 ♣Q962

The bidding has proceeded:

North East South West

1 ♠ Pass 1 ♠ Pass

3 ♠ Pass ?

What action do you take?

A.—A jump rebid of opener's original suit is not forcing. You have a dead minimum response, so there is no reason for you to bid again. And you shouldn't even think that there might be a better contract. Pass.

Q.6—Neither vulnerable, as South you hold:

♠84 ♥Q965 ♦QK83 ♣AJ107

The bidding has proceeded:

North East South West

1 ♠ 2 ♠ 4 ♠ Pass

Pass 4 ♠ ?

What action do you take?

A.—Your hand is defensively oriented, and you already stretched your values slightly when you leaped to four hearts. Your minor suit cards should be well placed behind declarer. Double. That warns partner not to bid five hearts and that you have the values to defeat four spades.

Billy Olson breaks his own pole vault record

LOUISVILLE, Kentucky (R) — American Billy Olson broke his own world indoor record in the pole vault with an effort of 18 feet, 9 1/2 inches at the 22nd annual Mason-Dixon games in Louisville Saturday night.

"I said a little prayer and the Lord answered," Olson said after clearing the bar on his third try. The new mark is one-half inch better than his old record set last month in Toronto.

The meet also produced three American indoor records.

U.S. Olympian Stephanie Hig-

tower broke her own mark of 8.17 in the 60-metre hurdles twice during the evening, with an 8.11 in a trial heat and 8.05 to win the event.

American Tom Byers won the 1,000-metre dash in two minutes, 19.5 seconds and compatriot Anthony Blair won the 600-metre dash in 1:18.0.

Two-time British Olympian Nick Rose, now living in Louisville, set a meet record of 12:57.8 in the three-mile run.

Advertise by mail in the Jordan Times

The Jordan Times can accept classified advertisements that are sent in by mail and accompanied by full payment in cash. Readers and advertisers who cannot conveniently

bring their advertisements to the Jordan Times office or to an advertising agency office in Amman may send in their ads by mail on the following conditions:

1. Full payment in cash or cheque accompanies the advertisement.
2. The minimum charge for a single advertisement is JD 7.500.
3. Advertisements sent by mail cannot contain any artwork such as company emblems, photos or drawings, but must consist only of a headline and copy that will be typeset by the Jordan Times.
4. Advertisements are not accepted over the telephone or telex, and guaranteed insertions on specific dates can only be assured by sending in the advertisements so they reach the Jordan Times office at least two days before the required day of publication.
5. For the minimum price of JD 7.500, the advertiser will have published an advertisement of three centimetres on two columns, which will have a maximum of 30 words, including the headline and telephone numbers to be called. The JD 7.500 charge is for one insertion; two insertions cost JD 15, three insertions cost JD 22.500 etc.
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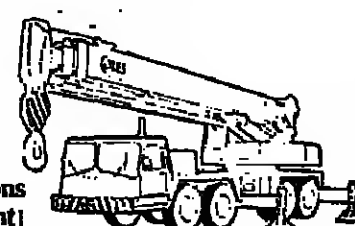
The American Women of Amman

will hold their February meeting today at the Amman Marriott Hotel from 10:00 to 12:00.
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ECONOMY

Supply-side economics: A symposium

A wide-ranging discussion about supply-side economics—its origins in classical economics, its relevance to tax policy, and its anticipated impact on the U.S. economy through the programmes of the Reagan Administration—is featured in this article taken from a symposium organised by the Morgan Guaranty Trust Company, a large New York-based financial organisation.

The participants are Arthur Laffer, professor of economics at the University of Southern California; Irving Kristol, co-editor of *The Public Interest*, a scholarly U.S. journal, and author of the recent book, *Two Cheers for Capitalism*; Paul Craig Roberts, Assistant Secretary of the Treasury for Economic Policy; and John Rutledge, president of Claremont Economics Institute, a forecasting and consulting firm.

Moderator: What is meant by the term supply-side economics? Is it really as revolutionary as some claim?

Dr. Rutledge: Supply-side economics is part of a bigger revolution in the economics profession which recognises that the basic unit under study—the human being—can think, calculate, speculate and respond to market incentives. In this sense, supply-side economics shares the stage with "rational expectations" and "efficient markets" as concepts which sharply distinguish economics from the physical sciences by focusing on the human element of economic agents. The basic points of the supply-side arguments are very important. First, output is the direct result of inputs. Second, these inputs respond to incentives. Clearly, taxes on productive effort and on the accumulation of capital represent a serious impediment to output, employment and our living standards. I worry sometimes, however, that many supply-siders focus on too narrow a definition of "taxes."

The tax burden, of course, is not only personal and corporate taxes. Its scope goes beyond the burden of government spending. In reality, the tax burden should be defined as the amount of resources that the government accumulates, acquires and destroys—with the emphasis on the third.

Resources are destroyed by the government when its policies force up the price level so fast that it wipes out the market value of securities—the inflation tax. The way I measure taxes is by adding the inflation taxes on securities and the inflation taxes on money holdings to standard measures of taxes. When I do, I find that something like two-thirds of all such taxes are not taxes shown in the government budget. It then follows that the number one supply-side priority, in my view, is inflation control.

Dr. Laffer: Supply-side economics is nothing more than classical economics

in modern dress. It basically looks to incentives. People alter their behaviour when incentives change. If you make an activity more attractive, people will engage in more of that activity. If you make an activity less attractive, people do less of that activity. And through the implementation of changes in taxation, regulation, government spending, and through all sorts of government actions on the economy, you change these incentives and you change people's behaviour. As far as I can tell there is nothing libertarian about the supply-side programme. It can be run as a state enterprise just as well as a private enterprise.

Dr. Kristol: The basic premise is that if tax rates are too high, that discourages economic activity. You cut the tax rates and you get more economic growth. That is the essence of what we call supply-side economics. There is absolutely nothing new about it.

Dr. Laffer: Classical supply-side economics argues that there are three basic general principles involved. One is how you collect taxes. The more progressive the tax code, the lower output will be. Second, how much you collect also matters: the total level of taxes matters in the performance of the economy. Third, how you spend the money you have collected in taxes also matters. All three of these principles matter a great deal.

Moderator: Why is it that so many economists disparage the supply-side approach?

Dr. Roberts: Two reasons. I suppose. Many economists used to feel that economic success can only be achieved if government manipulates and pulls levers. These "interventionists" feel threatened. Secondly, Keynesianism was a convenient way for the government to acquire larger and larger claims on the economy's resources without having to legislate higher tax rates. So in that sense, the supply-side approach is politically threatening to

the kinds of vested interests which benefit from large spending programmes. Between the two, you have a great deal of opposition.

Moderator: But don't Keynesians believe in cutting taxes, too?

Dr. Roberts: Their reasons for cutting taxes are profoundly different from ours. Keynesianism has taught everyone for so long that to have a tax cut is to have a stimulative fiscal policy, and a stimulative fiscal policy means more spending, more demand, probably higher inflation, and in the Keynesian context it always means a budget deficit. Indeed, the very reason for cutting the taxes was to produce a budget deficit in order to add to aggregate demand.

That is the way tax cuts are perceived, given the dead hand of the past. Now the Reagan Administration's thinking is totally different. The reason we are cutting taxes is to reduce the marginal rate of taxation. That is, we are cutting taxes on additions to income, and the reason we want to do that is to change relative prices rather than raise total demand.

Let me explain how changes in two relative prices can influence the supply side of our economy. First, relative prices influence how people allocate their income between current consumption and saving. A decision to allocate additional income to current consumption is simultaneously a decision to forego a future income stream generated by saving. The value of the foregone future income is affected by the marginal rate of taxation. The higher that marginal rate is, the cheaper it is for a person to engage in additional current consumption.

Moderator: Can you illustrate that point?

Dr. Roberts: Yes, with what I call the parable of the Rolls Royce. It is the case of a person facing the 98 per cent marginal tax bracket on earned income. With \$50,000 he must decide whether to buy a car or to invest the money and earn 17 per cent interest.

On a pre-tax basis, he is looking at a future income stream of \$8,500 a year from the \$50,000. On an after-tax basis, he is looking at a future income stream of \$170 a year. So, after tax, the price of the Rolls Royce automobile is simply to forgo a mere \$170 a year of interest income. Consumption, in this instance, is clearly more alluring than saving.

Another important relative price governs how people allocate their time—for work, leisure, entertainment or to pick up additional skills.

Here again, if you allocate a unit of your time to leisure you must forego some amount of current income that could be earned by working. The value of the foregone current income is a function of marginal tax rates. The higher the marginal tax rate, the cheaper it is to engage in leisure.

Since 1965, there has been an enormous increase in marginal tax rates. For a median income family, that family has experienced a 65 per cent in-

crease in marginal tax rates as inflation has pushed people into higher tax brackets.

The family with twice the median income has experienced almost a 100 per cent increase in marginal tax rates. This means that every year leisure and current consumption are becoming cheaper and cheaper in terms of foregone income from working or saving. This affects things like work attitudes, absenteeism rates, willingness to accept overtime, saving rates and willingness to assume risks.

The whole approach of the Reagan Administration is to remove deficits from being an instrument of policy. That change ought to be very ant-

agonistic to experience. Consumer spending as a percentage of income fell after the Kennedy tax cut. The personal saving rate moved up strongly. Indeed, the immediate gain in real personal saving was about three-fourths the size of the tax cut, and by the fourth year it was 121 per cent of the tax cut. As a consequence, the growth in business capital spending, in real terms, which had expanded at a 4.2 per cent annual rate between 1959 and 1963, jumped up to 12.9 per cent annual through the next three years. The empirical footprints of response to incentive are there and they are rather clear.

Moderator: But the Kennedy tax cuts

willingness to accept overtime rises enough that the work week is lengthened by a half hour, then you are talking about an additional \$25,000 million in output. If absenteeism rates drop by one-half a percentage point, you are talking about an additional \$10,000 million of gross national product (GNP). So relatively small changes or relative low responses by individuals can have large aggregate effects.

Moderator: Dr. Rutledge, your views on the tax cut are somewhat different. Why?

Dr. Rutledge: In my opinion, the "whopping" tax cut, which everybody plays up, is not really much of a cut at

all. Federal taxes have been running at about 21 per cent of GNP. Three years from now, after all this massive tax cutting, taxes will be about 20 per cent of GNP. So the tax load gets reduced by only one percentage point. If real GNP grows by more than one per cent over the next few years, the total tax burden will rise. That is not a big tax cut. In my opinion, it's really a tax freeze. To be sure, it is a necessary one, and the Reagan tax approach does provide needed restructuring by lowering the top brackets and providing incentives for savers. But I wouldn't expect much economic "juice" from such a small reduction.

Actually, about eight out of the 10 bullets in the supply-side programme are aimed at trying to pull down demand and coming from the government sector by either cutting spending, or cutting the rate of growth of the money supply, or freeing up business resources through less government regulation. I would characterize the programme as an interest rate/inflation control plan geared to get investments going by providing longer-term funds in financial markets.

Dr. Kristol: What we are getting is a freeze on individual tax rates over the next two and a half to three years. That is it. Sure, we are getting a lot of other things. But I believe this tax cut is too small and I myself do not perceive it as especially ideological.

Moderator: Have political considerations crept into Administration policies?

Dr. Kristol: I think the political aspect—one which I call the populist element in supply-side economics—is absolutely crucial. An interesting question is: Why did President Reagan hit his horse to supply-side economics? I think it is because he has very good political instincts. He did not want to put the economy through the wringer. For him that is the key consideration, in my opinion.

Moderator: Could we probe a bit more deeply into the linkage between supply-side economics and a cure for inflation? Specifically, might Administration projections on lower inflation take longer to achieve than forecast?

Dr. Rutledge: Prices can and do move very quickly. And the reason they move quickly is that people are not stupid. They set prices with an eye on the government.

Dr. Kristol: I don't think anyone ever claimed supply-side economics in and of itself is a solution to inflation. If the government wants to inflate, it can still do so even if it adopts supply-side policies.

Dr. Laffer: In my view, the heart of the problem is this: the government has a quasi-monopoly on the liabilities of the monetary authority, and as such it has been operating all along trying to control the growth rate and the quantity of these liabilities in order to bring inflation under control.

I don't think that approach can work. Being a classicist in my own perception, I think the only thing government should do to produce a quality product—the money supply—is to oppose to regulating the quantity of that product in the marketplace. I think the government should guarantee the purchasing power of the U.S. currency.

Moderator: Are you suggesting convertibility of the dollar into gold?

Dr. Laffer: Yes, I am. Inflation is a monetary phenomenon. It requires a monetary solution, and the only monetary solution I know of is to make the dollar convertible, to guarantee its purchasing power.

Dr. Rutledge: I agree with the basic point: the problem of inflation is that there is no discipline over governments. But I am very skeptical that there is going to be a return to the gold standard. What government wants to put itself in a straitjacket?

Moderator: Participants in financial markets seem concerned about the continuance of large deficits in the federal budget. Dr. Roberts, would you address that concern?

Dr. Roberts: Everything is fine, they say, except the budget isn't balanced quickly enough. Why doesn't the Administration take money out of the tax cut and put it in revenues, and thus balance the budget more quickly? Now, it doesn't work that way. You can't look at the government budget as if it were an accounting document in which you can move something from one line to another. If you take the

approach of "let us raise taxes and balance the budget first," you inhibit economic growth, increase the need for more government spending, and therefore the deficit says where it is.

And the crucial difference is that this approach moves you further away from the path that will bring you to a balanced budget. You stay in the mode of the permanently unbalanced budget, because of the persistence of a weakly performing economy.

I think that is something that has been widely overlooked. People—and, unfortunately, many financial-market participants—are so conditioned by the past approach to deficits that they haven't quite caught on that in this new policy the deficit is an almost irrelevant side effect of restructuring the tax code. As I said earlier, in our approach deficits are removed from being an instrument of policy.

Moderator: Is the programme fair or does it favour some segments of society over others?

Dr. Kristol: If the programme leads to economic growth, it will be good for everyone. I think that is fair. But if you identify fairness with equality, then obviously you have another point of view. In a society such as ours, some people simply will do better than others. I believe that most Americans accept the fairness of the market system plus the security net, a safety net for those who can't compete. That is almost noncontroversial within our society.

Dr. Laffer: It is important to be a very important concept. I would be upset with a programme if I felt for a moment that the lowest echelons of our society were not going to improve enough. I want to state sharply that the supply-side model is not a prescription for the elimination of government. It is a prescription for using government in a beneficial way to make all of us better off.

Dr. Kristol: Obviously, I expect low-income people to benefit. But one of the interesting things about economic growth is you never know who will benefit most. It is not predictable.

Moderator: A number of economists are concerned that the Administration's economic growth plans will clash with an unaccommodating Federal Reserve intent on restricting credit expansion in order to curb inflation. Do you lie awake at night worrying about that?

Dr. Roberts: Yes, I do. But then I worry about what things would be like if we had a programme calling for larger deficits to stimulate consumption and to fight unemployment, and for more public-sector programmes to deal with inequalities by redistributing income and expanding by redistributing income and expanding public works jobs to make up for the private sector jobs that were not being provided. And I think if I had that programme to defend I would be even more worried.

— Morgan Guaranty Survey



One of the participants in the supply-side economics symposium answers a question put by the moderator.

reactive as compared to the Keynesian approach, where an unbalanced budget has traditionally been a principal instrument of policy.

Moderator: What makes you optimistic that tax cuts can be such a powerful force? Is there an historical precedent?

Dr. Laffer: I think the evidence is quite strong on a scientific as well as an anecdotal level. Puerto Rico, with its 30 per cent across-the-board tax cut, is a good example. Chile clearly has performed well along the line of re-estimating private and personal incentives. Take California and Proposition 13. Or in New York State, where marginal rates have been cut and forecasts of a budget deficit of \$850 million are turning out to be a surplus of \$100 million in the state budget for the current fiscal year.

Also, if you look at countries like the Federal Republic of Germany and Japan, where marginal tax rates have been cut, their performance has been superior. It goes back to classical economics, the research done in trade theory. Moreover, there is a huge body of evidence generated in the 19th century that shows that incentives do play a major role in growth and employment.

Moderator: More recently, doesn't it include the tax cut by President John F. Kennedy in 1963?

Dr. Roberts: Yes, indeed. Let's ex-

amine that experience. Consumer spending as a percentage of income fell after the Kennedy tax cut. The personal saving rate moved up strongly. Indeed, the immediate gain in real personal saving was about three-fourths the size of the tax cut, and by the fourth year it was 121 per cent of the tax cut. As a consequence, the growth in business capital spending, in real terms, which had expanded at a 4.2 per cent annual rate between 1959 and 1963, jumped up to 12.9 per cent annual through the next three years. The empirical footprints of response to incentive are there and they are rather clear.

Moderator: But the Kennedy tax cuts

came at a time of hardly any inflation. How can you expect a similar response in today's inflationary times? **Dr. Roberts:** It is true that the value of these tax cuts depends importantly on success in pulling down the inflation rate. But if inflation comes down as fast as we expect it will, there most certainly will be a significant cut in the "inflation tax" burden mentioned earlier by Dr. Rutledge. Even more significant, in the Kennedy years the great majority of tax-payers were positioned at the bottom of the tax brackets. Today the picture is considerably different. Average, ordinary people are more heavily burdened by being in the middle tax brackets. This argues that the effects of the tax cuts should be even more powerful than they were in the Kennedy years. Moreover, the reduction in the top rate from 70 per cent to 50 per cent cannot be offset by the inflation tax.

Moderator: What kind of results do you expect from the Reagan tax plan?

Dr. Roberts: We do not necessarily anticipate massive effects on individual behaviour. But the cumulative effect could be very substantial. For instance, if the saving rate goes up two percentage points, you are talking about an additional \$42,000 million annually available to the private capital markets at current income levels. As for the supply-side effects on work attitudes or work performance, if the

all. Federal taxes have been running at about 21 per cent of GNP. Three years from now, after all this massive tax cutting, taxes will be about 20 per cent of GNP. So the tax load gets reduced by only one percentage point. If real GNP grows by more than one per cent over the next few years, the total tax burden will rise. That is not a big tax cut. In my opinion, it's really a tax freeze. To be sure, it is a necessary one, and the Reagan tax approach does provide needed restructuring by lowering the top brackets and providing incentives for savers. But I wouldn't expect much economic "juice" from such a small reduction.

Actually, about eight out of the 10 bullets in the supply-side programme are aimed at trying to pull down demand and coming from the government sector by either cutting spending, or cutting the rate of growth of the money supply, or freeing up business resources through less government regulation. I would characterize the programme as an interest rate/inflation control plan geared to get investments going by providing longer-term funds in financial markets.

Dr. Kristol: What we are getting is a freeze on individual tax rates over the next two and a half to three years. That is it. Sure, we are getting a lot of other things. But I believe this tax cut is too small and I myself do not perceive it as especially ideological.

Moderator: Have political con-

siderations crept into Administration policies?

Dr. Kristol: I think the political aspect—one which I call the populist element in supply-side economics—is absolutely crucial. An interesting question is: Why did President Reagan hit his horse to supply-side economics? I think it is because he has very good political instincts. He did not want to put the economy through the wringer. For him that is the key consideration, in my opinion.

Moderator: Could we probe a bit more deeply into the linkage between supply-side economics and a cure for inflation? Specifically, might Administration projections on lower inflation take longer to achieve than forecast?

Dr. Rutledge: Prices can and do move very quickly. And the reason they move quickly is that people are not stupid. They set prices with an eye on the government.

Dr. Kristol: I don't think anyone ever claimed supply-side economics in and of itself is a solution to inflation. If the government wants to inflate, it can still do so even if it adopts supply-side policies.

Dr. Laffer: In my view, the heart of the problem is this: the government has a quasi-monopoly on the liabilities of the monetary authority, and as such it has been operating all along trying to control the growth rate and the quantity of these liabilities in order to bring inflation under control.

I don't think that approach can work. Being a classicist in my own perception, I think the only thing government should do to produce a quality product—the money supply—is to oppose to regulating the quantity of that product in the marketplace. I think the government should guarantee the purchasing power of the U.S. currency.

— Morgan Guaranty Survey

JORDAN TIMES DAILY GUIDE

JORDAN TELEVISION

20:30 Evening Show
21:00 News Summary
22:00 News Headlines

CHANNEL 3

5:30 Koran
5:50 Laurel and Hardy
6:10 Children's Programme
6:30 Children's Programme
7:20 Local Programme
7:30 Local Programme
8:00 News in Arabic
8:30 Arabic Series
9:30 Pasotama
10:15 Boxing
11:05 News in Arabic

CHANNEL 6

6:00 French Programme
7:00 News in French
7:30 News in Hebrew
7:45 Environmental Protection
8:00 News in Arabic
8:30 Comedy: Taxi
9:10 Hart to Hart
10:00 News in English
10:15 Brideshead Revisited
11:05 News in Arabic

RADIO JORDAN

855 KHz AM & 99 MHz FM

7:00 Sign on
7:01 Morning Show
7:30 News Bulletin
7:40 Morning Show
10:00 News Headlines
10:03 Morning Show
10:30 30 minute Theatre
11:00 Sign off
12:00 News Headlines
12:03 Pop Session
12:30 News Summary
13:03 Pop Session
14:00 News Bulletin
14:10 Instrumentals
14:30 The Elton John Story
15:00 Concert Hour
16:00 News Summary
16:03 Instrumentals
16:30 Old Favourites
17:00 French way of Life
17:30 Pop Session
18:00 News Summary
18:03 Sports Round-up
18:30 North by Sea
19:00 News Desk
19:30 Instrumentals

BBC WORLD SERVICE

639, 720, 1413 KHz

GMT

04:00 Newsdesk 04:30 The End of the Affair 04:45 Notes from an Observer 04:50 Paperback Choices 04:55 Reflections 05:00 World News; 24 Hours; News Summary 05:30 Peaches' Choice 05:45 Is Sin Out of Date? 06:00 Newsdesk 06:30 Musician at Large 07:00 World News; 24 Hours; News Summary 07:30 Country Style 07:45 Short Story 08:00 World News; Reflections 08:15 The London Bach 08:30 Musical Memories 09:00 World News; British Press Review 09:15 Notes from an Observer 09:30 Goods Books 09:35 Interlude 09:40 Look Ahead 09:45 A Word in Edgeways 10:15 The Instrument Makers 10:30 Smash of the Day: The Navy Lark 11:00 World News; News About Britain 11:15 Backtracking 11:30 Interview with Reith Lecturer 12:00 Radio Newsweek 12:15 Animal, Vegetable or Mineral? 12:45 Sports Round-up 13:00 World News; 24 Hours; News Summary 13:30 Country Style 13:45 James Joyce 14:15 The End of the Affair 14:30 Rock Salad 15:00 Radio Newsweek 15:15 Outlook 16:00 World News; Commentary 16:15 The Red and the Black 16:45 The World Today 17:00 World News 17:05 Europa 17:25 News Ideas 17:35 Paperback Choice 17:40 Interlude 17:45 Sports Round-up 18:00 World News; News about Britain 18:15 Radio Newsweek 18:30 Rhythm 'n' Roots 19:00 Outlook: News Summary 19:30 Stock Market Report 19:45 Look Ahead 19:45 Peaches' Choice 20:00 World News; 24 Hours; News Summary 20:30 Sports International 21:00 Network U.K. 21:15 Europa 21:30 Rock Salad 22:00 World News 22:05 The World Today 22:25 Book Choice 22:30 Financial News 22:40 Reflections 22:45 Sports Round-up 23:00 World News; Commentary 23:15 Classical Record Review 23:30 Animal, Veget-

table or Mineral?

VOICE OF AMERICA

GMT

06:30 The Breakfast Show: 06:30 News, Pop music, features, listeners' questions 17:00 News Round-up: reports, opinion, analyses. 17:30 Dateline 18:00 Special English: news, feature "The Making of a Nation." 18:30 Now Music USA 19:00 News Round-up: reports, opinion, analyses. 19:30 VOA Magazine: Americana, science, culture, letters. 20:00 Special English: news 20:15 Music USA (Jazz) 21:00 VOA World Report 22:00 News, Correspondents reports, background features, media comments, analyses.

AMMAN AIRPORT

NOTE: The following airport arrivals and departures are provided to the Jordan Times by the Alia information department at Amman Airport, Tel. 92205-6. They should always be verified by phone before the arrival or departure of the flight.

ARRIVALS

8:00 Cairo (EA)
8:55 Aqaba
9:00 Cairo
9:00 Damascus
9:30 Jeddah
9:45 Dhahran
9:50 Muscat, Dubai
10:00 Doha, Bahrain
10:10 Beirut, Larnaca
10:15 Abu Dhabi
10:55 Kuwait (SR)
14:15 Tripoli (LA)
14:25 Moscow (SU)
15:30 Kuwait (KAC)
15:35 Jeddah, Medina (SV)
16:25 Beirut
16:45 Bangkok
17:00 Athens
17:20 Cairo
18:05 Amsterdam, Beirut (KLM)
18:15 London (BA)
18:30 Paris (AF)
20:30 Cairo (EA)
20:30 Beirut (MEA)
00:20 Cairo (EA)
01:00 Baghdad

01:15 Cairo
02:00 Baghdad

DEPARTURES

03:00 Cairo
06:15 Frankfurt (LH)
06:30 Damascus
07:00 Aqaba
09:00 Cairo (EA)
09:25 Beirut (MEA)
11:00 Amsterdam, New York
11:15 Athens
11:30 Cairo
11:45 Geneva, Zurich (SR)
11:45 Tunis, Madrid
12:00 Paris, London
13:00 Beirut
15:10 Tripoli (LA)
15:30 Moscow (SU)
16:30 Kuwait (KAC)
16:35 Medina, Jeddah (SV)
19:15 Dhahran
19:30 Jeddah
20:00 Cairo
20:15 Baghdad
20:30 Abu Dhabi, Dubai
21:30 Cairo (EA)
22:00 Baghdad
01:15 Cairo (EA)

EMERGENCIES

DOCTORS:
Amman:
Abdul Aziz Al Jamal 36149
Mohammad Kamal Abbasi 24561
Zarga:
Mufti Damrah 85512/83047
Irbid:
Fakhr Haddad 3109

PHARMACIES:

Amman:
Al Salam 36730
Al Hayah 24636
Fattaleh 37130
Qadiri 69448
Sarah 71140
Zarga:
Nuba (—)
Irbid:
Khazir 3085
TAXIS:
Al Khayyam 41541

Al Ahran 63911
Al Nahla 63066
Bashar 71329
Zaid 64476

CULTURAL CENTRES

American Centre 41520
British Council 36147-8
French Cultural Centre 37009
Goethe Institute 41993
Soviet Cultural Centre 44203
Spanish Cultural Centre 24049
Turkish Cultural Centre 39777
Haya Arts Centre 65195
Al Hussein Youth City 67181
Y.W.C.A. 41793
Y.W.M.A. 64251
Amman Municipal Library 36111
University of Jordan Library 84355/84366

SERVICE CLUBS

Lions Philadelphia Club. Meetings every second and fourth Wednesday at the Grand Palace Hotel, 1.30 p.m.
Lions Amman Club. Meetings every first and third Wednesday at the Intercontinental Hotel, 1.30 p.m.
Rotary Club. Meetings every Tuesday at the Intercontinental Hotel, 2.00 p.m.
Philadelphia Rotary Club. Meetings every Wednesday at the Holiday Inn, 1.30 p.m.

MUSEUMS

Military Museum: Collection of military memorabilia dating from the Arab Revolt of 1916. Sports City, Amman. Opening hours 9 a.m.-4 p.m., Sunday to Friday. Closed on Saturdays. Tel. 64240.
Folklore Museum: Jewelry and costumes over 100 years old. Also mosaics from Madaba and Jerash (4th to 18th centuries). The Roman Theatre, Amman. Opening hours: 9.00 a.m. - 5 p.m. Year-round. Tel. 51760.
Popular Life of Jordan Museum: 100 to 150 year old items such as costumes, weapons, musical instruments, etc. Opening hours: 9.00

a.m. - 5.00 p.m. closed Tuesdays. Tel. 37169

Jordan Archaeological Museum: Has an excellent collection of the antiquities of Jordan. Jabal Al Oal'a (Citadel Hill). Opening hours: 9.00 a.m. - 5.00 p.m. (Fridays and official holidays 10.00 a.m. - 4.00 p.m.). Closed on Tuesdays.
Jordan National Gallery: Contains a collection of paintings, ceramics, and sculpture by contemporary Islamic artists from most of the Muslim countries and a collection of paintings by 19th Century oriental artists. Mmtazah, Jabal Luweibdeh. Opening hours: 10.00 a.m. - 1.30 p.m. and 3.30 p.m. - 6.00 p.m. Closed on Tuesdays. Tel. 30128

CHURCHES

Church of the Annunciation (Roman Catholic) Jabal Luweibdeh

PRAYER TIMES

Fajr 5:00
Sunrise 6:26
Dhuhr 11:50
Asr 2:52
Maghreb 5:15
Isha 6:40

USEFUL TELEPHONE NUMBERS

Ambulance (government) 75111
Civil Defence rescue 61111
Jordan Electric Power Co. (emergency) 36381-2
Municipal water service (emergency) 71125-6-7-8
Police headquarters 39141
Najdah roving patrol rescue police. (English spoken) 31111, 37777
Airport information (ALIA) 92205/92206
Jordan Television 73111
Radio Jordan 74111

LOCAL EXCHANGE RATES

Saudi riyal 100.3/100.6
Lebanese pound 71.2/71.8
Syrian pound 57.9/58.4
Iraqi dinar 643/650
Kuwaiti dinar 1206/1210
Egyptian pound 341.4/346.3
Omani rial 949/94.3
U.A.E. dirham 343/345
Omani rial 991/996.6
U.S. dollar 146.1/147
U.K. sterling 638.3/642.1

Tel. 25445, P.O. Box 1063
Amman, Jordan.

FEATURES

Dream changes hand

RIO DE JANEIRO — John Arden looks at the man who is taking over from U.S. shipping magnate Daniel Ludwig as the power behind Brazil's controversial Jari project.

"Antunes is a mirror reflection of Ludwig. But he's a Brazilian and he also knows the jungle. This is why he'll succeed."

That is how a business associate described the man who is taking control of Jari — the controversial forestry, agriculture and minerals project of Mr. Daniel Ludwig, the U.S. shipping magnate.

After an investment of \$1 billion, Mr. Ludwig at 85 now feels too exhausted to carry on his dream to make millions of dollars from fast-growing trees along the Amazon.

Encouraged by the Brazilian Government, a group of companies is to buy Jari for a song. Mr. Ludwig's Cancer Institute will initially get nothing, as immediate funds raised — \$280 million — will go towards paying down Jari's debts. Dividends will eventually be paid on a scale sliding downwards from 5 per cent in 1987 to 3 per cent until 2021, when the deal ends.

If it were not for Mr. Augusto Antunes — a friend and admirer of Mr. Ludwig — the deal would probably never have gone through.

Born in the city of Sao Paulo of middle class, professional parents, Mr. Antunes first began dabbling in minerals when as a mining engineer he bought an iron mine called Pico do Itabirito in the state of Minas Gerais.

The mine was no great success, but in the late 1950s he pushed for the right to mine manganese in the state of Amapa, Brazil's most northeasterly state at the mouth of the

Amazon. At the same time, Mr. Daniel Ludwig was looking around for a suitable site to plant his fast growing Gmelina trees. He eventually bought Jari, only a few hundred kilometres south west of the loom manganese plant.

Mr. Antunes won the Amapa mining rights against some of the toughest opposition from experienced foreign companies after giving a strongly nationalist speech before a meeting of the government's National Mines and Metallurgy Council.

Desperate for money to develop the manganese mine, he spent six months in the U.S. barely able to speak English when he arrived. Despite that, he clung to his ideal of 51 per cent of the shares, and finally found a backer in Bethlehem Steel.

Mr. Antunes was lucky. Manganese prices went up steadily for a variety of reasons from the Korean war to the closure of the Suez Canal. A debt of \$67 million to the U.S. Export-Import Bank was paid off in only four years.

He was said to have first met Mr. Ludwig in the late 1960s when organisers of the Jari project sought help from their neighbours on a technical problem.

In 1972, their friendship was cemented by Mr. Ludwig's sympathy when, during a visit to the U.S. Mr. Antunes's son died from a gas leak in Rio de Janeiro. A friend of Mr. Antunes said: "You cannot under-estimate the importance this had on the friendship between the two men." Mr. Ludwig was unable to locate him, but

he followed Mr. Antunes to Brazil, then took him to South Africa and Europe in an attempt to console him.

Despite this friendship, Mr. Antunes has been a driving force in negotiations to ease out Mr. Ludwig from Jari.

Once the manganese project was running smoothly in Amapa, Mr. Antunes returned to Minas Gerais to recreate an old dream. His old iron mine was not being exploited sufficiently. With Hanna Mining of the U.S., which held concessions to the area, and several Japanese concerns, he formed Mineracao Brasileira Reunidas (MBR), now the country's biggest private mining group.

CAEMI, created as a holding group, and which now has assets of \$230 million, is almost totally controlled by Mr. Antunes.

Like Mr. Ludwig, Mr. Antunes has always avoided publicity and hated interviews.

Although he generally prefers to steer clear of politics, he took an active part in the downfall of the Left-leaning government of Mr. Joao Goulart by the military in 1964. This he achieved by joining and becoming a key member of the Instituto de Pesquisa Economica e Social (IPES), the front organisation set up to plot against Mr. Goulart. For this, and his association with Mr. Ludwig, he became a target of criticism of the Left and of nationalists.

His participation, through the \$40 million purchase of the kaolin mine, Caulim da Amazonia — the only successful scheme in Jari so far — is being regarded as apart from the contribution of the other Brazilian companies. Technically he will begin with 40 per cent control of Jari.

The Brazilian companies going into the deal expect a lot more help from their government than it was willing to grant Mr. Ludwig in recent years.

— Financial Times news feature

Roller skates: Nothing to do with war



COLOGNE (INP) — A roller-skating youngster "shows his stuff" against the background of world-famous Cologne Cathedral. In making his leaps he relies on his

own sense of co-ordination, but also on chemical products by Bayer. The support frame of his skates are made out of "durethane", a 30 per cent fibreglass-reinforced elastomer-modified polyamide 6, and the rollers are made a "baytec", according to information provided by the West German company.

Antje Huber, Bonn's Federal Minister for Youth, Family Affairs and Health, recently issued an appeal to parents in the Federal Republic of Germany not to buy war-related toys. In a radio broadcast she said that does not

belong in children's playrooms and parents ought to realise that there are better toys.

A restriction of this kind is not important for either the toy-manufacturing industry or the retail trade since war-related toys only make up about 5 per cent of overall trade. In addition, sales of these toys were dropping off anyway. According to Mrs. Huber, trying to outlaw these toys would be difficult because this would pose a number of legal problems. She said that she thought more of trying to appeal to the insight of the parents question.



As many tigers in the zoos today as there are in Indian jungles

Why the zoo had to kill three tigers

COPENHAGEN, Denmark (A.P.) — With no room to let them roam freely, the Copenhagen zoo has had to kill three "perfectly magnificent" Bengal tigers because no other zoos would give them a home.

"It's a bit of a paradox," Bent Joergensen, zoologist and the zoo's managing director, said. "The tiger is a threatened species in India, but in the zoos there is increasing overpopulation."

The 18-month-old tigers were slain by painless injection, Mr. Joergensen said. The killings caused a mild stir in a Danish animal protection society, which protested that the deaths were "senseless."

"Emotionally, it does feel senseless, but there just wasn't anything else for us to do," Mr. Joergensen said. "Many zoos are facing the same problem with their tigers."

He said he offered the animals three times to 150 zoos for free, even indicating he would pay for their transport if necessary. There were no takers.

Just 10 years ago the Zoos were lining up to buy tigers or tiger cubs, he said. "Now tigers breed so willingly in captivity that there are as many tigers in the zoos as in the Indian jungles — about 2,000."

In Mr. Joergensen's explanation, the three young tigers — two males and a female — long had been separated from their mother, who wanted nothing of them after giving birth to a new litter of four cubs last year.

As they approached sexual

maturity, the males already were becoming hostile to each other, he said.

"Unlike the lion, the tiger is not a social animal," the zoo manager said. "We could not possibly keep our three generations separated forever without condemning one to old-fashioned cages."

Like most modern zoos, the Copenhagen facility keeps its tigers in a large area made to resemble their natural Asian habitat.

Mr. Joergensen said giving the animals to private persons or sub-standard zoos or setting them free in the wild, where they would be unable to hunt, was out of the question.

So war sterilisation, as is done by many zoos, especially in the United States. That solves the overpopulation problem without risking emotional public reactions to the killing of tigers, he said, but that makes a tiger fat and lethargic.

"After castration or sterilisation, the animals are no longer tigers," he said. "They will never live a real tiger's life."

Besides, the tiger population of the world's zoos constitute a reserve for a threatened species. It won't if we sterilise the animals."

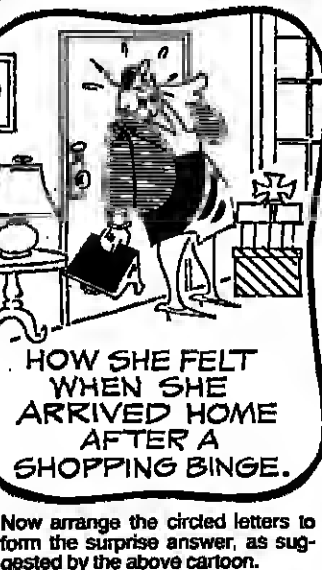
Anyway, he added, the painless death of the three young tigers was humane compared to the fate of lion or tiger cubs in nature. As many as 4 or 5 out of 7 succumb, many dying slow deaths from starvation.

JUMBLE

THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ALLIC
UPASE
STERJE
LYKING



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

Yesterday's Jumbles: HEDGE LEGAL CALIPH VANISH
Answer: What those talks at the summit conference were — HIGH-LEVEL

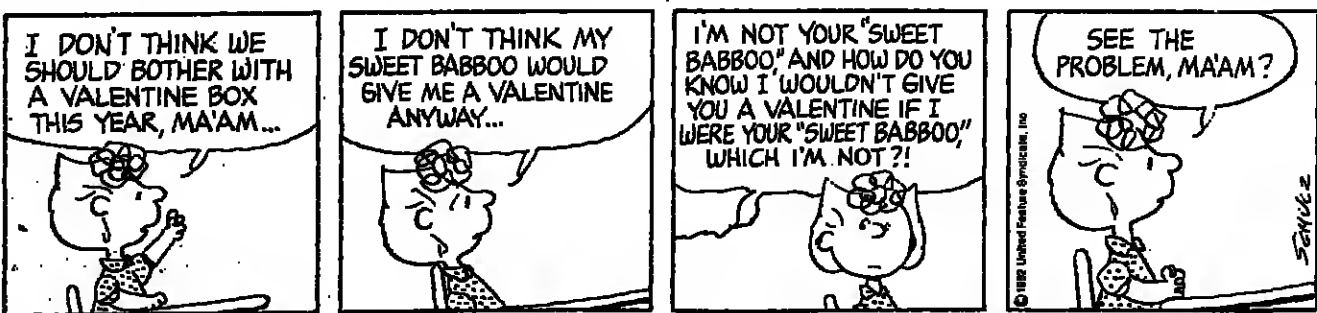
THE BETTER HALF

By Vinson



"We were going to have a surprise party for you and invite all your friends, but neither of them could come."

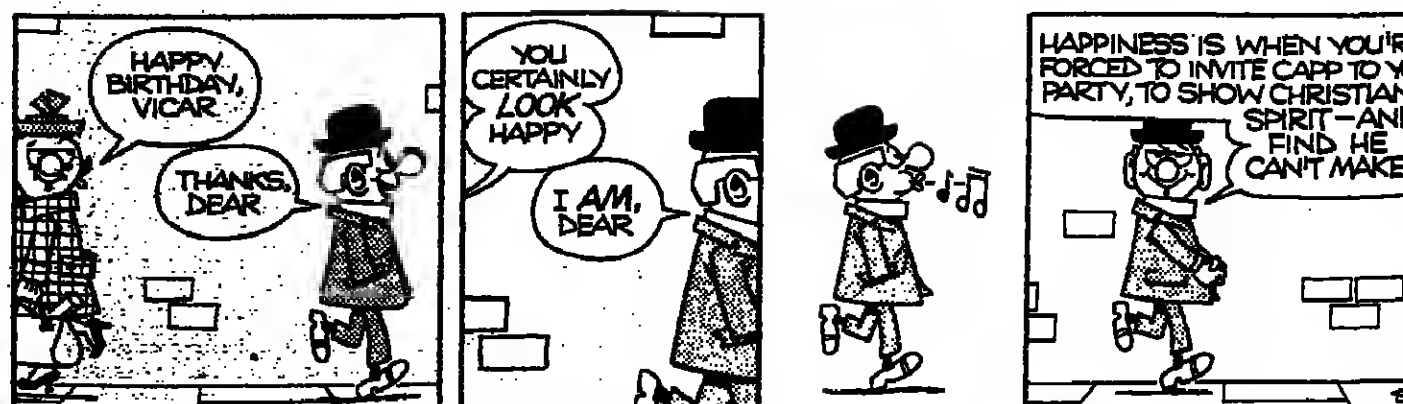
Peanuts



Mutt 'n' Jeff



Andy Capp



FORECAST FOR MONDAY, FEB. 8, 1982

YOUR DAILY Horoscope

from the Carroll Righter Institute

GENERAL TENDENCIES: A good day to go after your most important desires in a positive manner. Make sure you let others know that you value their association. Strive to become more efficient.

ARIES (Mar. 21 to Apr. 19) Give more thought to home affairs, even if you have to handle outside affairs. Be careful not to lose your temper.

TAURUS (Apr. 20 to May 20) Handle important communication early in the day. Plan transportation affairs intelligently. Sidestep a troublemaker.

GEMINI (May 21 to June 21) Make sure you study monetary affairs and know where to make needed improvements. Cut down on expenses.

MOON CHILDREN (June 22 to July 21) Use a more courteous approach with others than you have in the past. Attend a group affair in the evening.

LEO (July 22 to Aug. 21) Ideal day to handle personal affairs. More affection for loved one is important right now. Finish any work that needs your attention.

VIRGO (Aug. 22 to Sept. 22) Show one who has been loyal that you are most appreciative. Gain the right alliance for a new project you have in mind.

LIBRA (Sept. 23 to Oct. 22) There are many situations that need your immediate attention and you should not delay in handling them. Show your ability.

SCORPIO (Oct. 23 to Nov. 21) Find the right outlets through which to gain the knowledge you need right now. Take the direct route when in motion.

SAGITTARIUS (Nov. 22 to Dec. 21) Your hunches are accurate at this time so be sure to follow them. Show increased devotion to loved one.

CAPRICORN (Dec. 22 to Jan. 20) Know what is expected of you by associates and do your utmost to please them. Don't waste time by being suspicious.

AQUARIUS (Jan. 21 to Feb. 19) Attend to important duties which you've neglected in the past. Take time for needed health treatments.

PISCES (Feb. 20 to Mar. 20) Make plans early to engage in activities with congenials later in the day. Express more devotion to the one you love.

IF YOUR CHILD IS BORN TODAY... he or she will easily comprehend the emotions of others. Business and merchandising are particularly fine here. Give courses in self-discipline that could prove helpful throughout lifetime. Don't neglect ethical training.

"The Stars impel, they do not compel." What you make of your life is largely up to you!

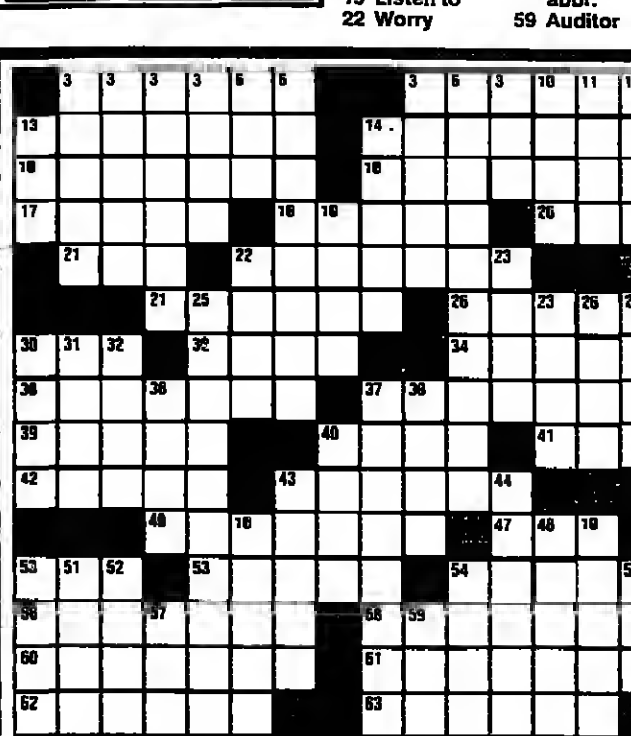
THE Daily Crossword

by Manny Miller

ACROSS	30 Bandleader	56 Mark with spots	23 Ready to pick
1 Kind of bomb	33 Change direction	58 Figure with eight sides	25 Failed to notice
7 Whippers	34 Musical drama	60 Pushes	27 Little —
13 Run	35 Egg dishes	61 Presumptuous one	28 Showy
14 Alcoholic beverage	37 Something new	62 Church	29 A movie
15 Inhabitant	39 Passenger	63 Novelist	30 A movie
16 Securing ships with cables	40 Small sled	64 Dorthy	31 Fail to include
17 Got up	42 Rob	DOWN	32 Surrender
18 Express gratitude	43 Tourist	1 Imitator	36 Skinny
20 Desery	45 One running item	2 Singing voice	37 Consisting of many
21 Broadway sign	47 Muffin	3 Prayer	38 Curved molding
22 Baseball player	50 "Not — Stranger"	4 Confusing network	40 Rural pathway
24 Average	53 Exterior	5 Native of: aut.	43 Quotas as an authority
26 Gold coin	54 Metal bar	6 French coins	44 Related, in a way
		7 Having fair hair	46 Ponders
		8 Examined	48 A movie
		9 Always, to poets	49 Conquerors of Spain
		10 Moalam officers	50 Snakes
		11 Breech pin of an old rifle	51 Nimble
		12 Snick's partner	52 Long period of time
		13 Harem room	54 — bitsy
		14 Wee abbr.	55 Explosive
		22 Worry	57 Naval officer
			59 Auditor

Yesterday's Puzzle Solved:

MAAM	COLE	OREAM
ADRA	ORAN	EEERIE
TOOL	STALO	STABIE
DISARM	COMPLIE	TO
SITEREIS	WEIR	
IMPUL	TSETSE	
SARASOTA	REDOAK	
ALIA	LARGO	RTIE
TAMITH	DEPORTED	
UNSORT	SCORE	
DUAD	ELEMENT	
BEGINNER	ISDOWER	
UPAND	MOST	DOSE
REVEL	DILA	ETIA
REISE	REDW	LEST



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WORLD

Ban on strikes will continue, Warsaw minister reiterates

WARSAW (A.P.) — The ban on strikes declared with the imposition of martial law last December may last through this year and into 1983, a senior official says.

His remarks coincided with numerous gloomy economic reports in the Polish press Sunday.

Minister for Economic Reform Wladyslaw Baka said in a week-end interview with the Associated Press that "it is unimaginable that the strike ban will be lifted this year or the next."

Officials have sought to blame Poland's economic woes on strikes organised by the independent union Solidarity, suspended since last Dec. 13, when the authorities began a sweeping, nationwide crackdown, banning union activities and internment union leaders.

In one of several spots on the nation's bleak economic outlook the Polish news agency PAP reported expected shortages this year of stoves and televisions, more shortages of meat, grain and potatoes and reduced deliveries of fuel.

PAP quoted one economic specialist as saying Poland had regressed by seven years in 1981, taking into account the increase in population and decline in national income of 13 per cent, along with "social tensions" and often "unjustified" increases in salaries.

However, Mr. Baka said that most restrictions on civil rights such as the ability to travel between provinces and hold meetings and curbs on the press would be lifted in the next few weeks.

Mr. Baka also said that U.S. and NATO aid sanctions would affect about 40 per cent of Polish imports, chiefly grain, wheat, herbicides and other chemicals. He confirmed previous reports that grain shortages would collapse the chicken market.

Concern about the economy, saddled with a \$28 billion foreign debt, was voiced by the Communist Party Politburo which met Saturday to discuss economic reform and map strategy for overcoming shortages of raw materials.

On the political front, mea-

nwhile, the chief of Poland's state-run radio and television said that agreements signed in Gdansk in August 1980 launching Solidarity were a "false start."

Wladyslaw Loranc, chairman of the party's radio and television committee, said in the weekend edition of the morning daily Wycie Warszawy that the agreements had only "local meaning."

"The agreements ... were not undergone careful political analysis," he said. "They had local meaning and served however as a system norm which made it easier for ... anti-socialist forces to gain massive support in the community of working people."

Mr. Loranc said the "mistake" in official thinking on the accords became clear with the registration of Solidarity in November of 1980.

The public expression of the view that the agreements had local relevance only and should not have served as a basis for state policy appeared to be the first time that the entire process of reaching accords with the workers in 1980 was seen as a mistake.

Plane crash kills 23 in Kashmir

NEW DELHI (A.P.) — Twenty-three army men were killed Sunday when an Indian Air Force plane crashed in the northern Indian state of Kashmir, the United News of India quoted officials as saying.

The news agency said only 10 bodies had so far been recovered.

The crash occurred near the town of Lohi Malar, 325 kilometres northwest of New Delhi, the report added.

U.S. role in Salvador bothers Mexico

MEXICO CITY (R) — Mexico is concerned by increasing U.S. involvement in the civil war in El Salvador because of the risk it poses of an East-West conflict in Central America.

"We are faced with a frankly dangerous step backward on the road to détente," according to President Jose Lopez Portillo.

To help patch up differences between the U.S. and Cuba, the main protagonists in the area, Mexico arranged a meeting two months ago between U.S. Secretary of State Alexander Haig and Cuban Vice-President Carlos Rafael Rodriguez. It did little to improve the situation in the region.



President Jose Lopez Portillo

Liberal politicians say the problem is that Washington sees El Salvador simply as a test of strength between East and West.

The United States has sent military and economic aid and military advisors to help El Salvador's civilian-military junta which is fighting leftist guerrillas.

An estimated 30,000 people have died in the last two years. Informed Mexican sources describe U.S. foreign policy in the region as being too simplistic, viewing everything as either black or white, right or left.

The U.S. and other right-wing governments in the region believe that if El Salvador falls, Guatemala and Honduras could follow and threaten the stability of Mexico with its oil riches and Panama with its vital canal.

Mr. Haig claims Guatemala is next on the list of Soviet bloc expansionism after El Salvador. He has accused Cuba and Nicaragua of supplying arms to Salvadorean guerrillas.

U.S. policy is seen as being focused on preventing leftist takeover in El Salvador and containing Cuban and Nicaraguan influence.

Mexican officials believe that by focusing narrowly on the Communist threat Washington is failing to address important domestic causes of discontent such as poverty and social injustice.

Lenin's body to undergo fresh treatment

MOSCOW (R) — The Kremlin announced Sunday that Lenin's mummified body in Red Square in Moscow is to be closed for two months, usually an indication that restorative work will be carried out on the revolutionary leader's embalmed body.

The red and black granite building, used as a platform by the Soviet leadership on state occasions, will be shut from Feb. 15 to April 15, according to a notice in the newspaper Pravda.

It said the closure was necessary because "scheduled work" was to be carried out.

Soviet officials have said that Lenin's body, displayed in a glass catafalque in the base of the mausoleum, needs to be restored and treated every three or four years. Thousands of people file past the body every day, often after queuing for two hours or more on Red Square.

The founder of the Soviet state died in 1924.

The body of Josef Stalin was also placed in the mausoleum after his death in 1953 but was removed eight years later.

MIDDLE EAST NEWS BRIEFS

Peking says U.S. suffers from pro-Israeli stand

PEKING (A.P.) — China's official Xinhua news agency said Sunday the United States is now more isolated because of its pro-Israeli position, saying "nothing is more silly than committing acts that lead to one's own isolation."

A Xinhua commentary said "it is advisable for Israel to renounce its acts of aggression and expansion and return all Arab territories under its occupation."

"As for the United States, it is only by stopping its support and aid to the Israeli aggressor and improving its relations with the Arab countries that it can get out of its blind alley," it added.

About the recent United Nations General Assembly emergency session, Xinhua said, "Many representatives from the Third World countries urged (the United States) to refrain from backing Israel and from opposing punitive resolutions on the Israeli aggression. But the United States ignored their just demands."

The General Assembly resolution urging U.N. member states to impose sanctions on Israel "has landed Israel in unprecedented isolation," it said.

Spain's NATO entry will pose 'no threat to Arabs'

KUWAIT (A.P.) — Spain's ambassador to Kuwait, Emilio Barcia, said Sunday his country "has no intention of establishing diplomatic relations with Israel at any level."

"This line of thinking forms a firm and basic principle of Spanish foreign policy," Mr. Barcia said in an interview with the daily Al-Siyassah.

Referring to Spain's anticipated membership of the North Atlantic Treaty Organisation (NATO), Mr. Barcia said, "This will not affect the close historical relationship we maintain with the Arab states, nor pose any threat to the Arab area."

He added that Spanish territory will not be used against Arab states under "any circumstances," citing as evidence for this that "we refused to grant facilities to the United States when it set up an air bridge to transport weapons to Israel during the 1973 war."

The Spanish envoy reiterated support for Palestinian self-determination rights, setting up of an independent Palestinian state and for Israeli withdrawal from all territories occupied in the 1967 Arab-Israeli war.

He reaffirmed the Madrid government's support for the Saudi Arabian eight-point Middle East peace plan proposed by Crown Prince Fahd last August.

Yugoslavia urges end to Gulf war

BELGRADE (R) — Yugoslav President Srdjan Kraigher has called for a quick negotiated end to the war between Iraq and Iran, an official statement said.

The statement was issued after talks between President Kraigher and Iranian Foreign Minister Ali Akbar Velayati, who arrived Friday night on a previously unannounced visit.

Informed sources said Dr. Velayati came to Yugoslavia, a prominent member of the Non-Aligned movement which includes Iran and Iraq, to discuss September summit in Baghdad.

But Dr. Velayati apparently got no support for the Iranian stand. The Yugoslav statement said President Kraigher recalled previous agreements at non-aligned meetings which confirmed Baghdad as the site. President Kraigher "expressed deep concern over the continuation of the armed conflict between Iraq and Iran and pointed to the necessity of halting this conflict without delay and settling the question in dispute by means of negotiations," the statement said.

Zia considers lifting ban on political activity

ISLAMABAD (R) — Pakistan's military ruler President Mohammad Zia ul-Haq said Sunday a decision would be made next Wednesday on whether to end a 28-month-old ban on political activity.

President Zia said his cabinet of senior army generals and civilians would consider on Wednesday whether the time and internal situation were right to allow political parties to resume activities.

He told reporters during a visit to Lahore that the first step towards reviving the political process was made last month with the inaugural session of a nominated federal advisory council or Majlis-Shoora.

President Zia outlawed political activity in October 1979, more

than two years after coming to power in a military coup that toppled the elected government of Prime Minister Zulfikar Ali Bhutto.

"We are taking stock of the full situation with regard to starting political activity," President Zia said. "The federal cabinet is meeting on Feb. 10 to see whether it can be or cannot be started and how it can be channelled as not to cause chaos and confusion."

He said his government had never intended not to hold elections, only to delay them until an appropriate time.

Authoritative sources said President Zia recently instructed the country's chief electoral commissioner to be ready to hold elections at short notice.

The sources said the commissioner was told any election would be based on voter lists prepared for the last general election in 1977, shortly before President Zia's coup.

Deng moves to 'second line' in Peking

PEKING (A.P.) — China's most powerful political figure, 77-year-old Deng Xiaoping, is assuming a less active daily role because of his advanced age and is moving from the "first line to the second line" of national leadership, Chinese official sources said Sunday.

The sources, who asked not to be identified, said Communist Party Vice-Chairman Deng is not retiring or stepping down and will remain number one—the nation's "most experienced and respected leader."

They said, however, because of his age he wants to step back and concern himself with the highest priority issues, like political strategy and developing five-year economic plans.

Despite his 77 years, Mr. Deng has been very active, meeting numerous visitors from all over the world. His health is reported to be good, but he tires more easily because of his age and meets visitors for shorter periods.

Mr. Deng himself has said that by 1985 he wants to retire and become an adviser.

Mr. Deng has not made a reported public appearance since Jan. 12, prompting speculation about his physical and political health.

Other Chinese officials said this weekend that Mr. Deng's physical health is very good and that he has been visiting southern China where he has discussed the urgent problems of bureaucracy and removing incompetents and political obstructionists.

The sources, who said Mr. Deng is less active, said China is developing a "five-line system" of activity in the leadership. The first line, they said, refers to Mr. Deng's proteges—Premier Zhao Ziyang and Communist Party Chairman Hu Yaobang.

The second line in the proposed system, where Mr. Deng presumably would fall, would be composed of political strategists

dealing with long-term policy. The third line would be comprised of advisers, the fourth would include influential retired people with wide access to information, and the fifth would include other retired government and party workers.

The sources pointed out that Mr. Deng was offered the chairmanship of the party but yielded it in favour of Hu Yaobang. Ever mindful of the succession problem, he also shed the government post of vice premier in the fall of 1980.

That move, they suggested, was intended to pave the way for resignations from state posts by other elderly leaders. Mr. Deng's current move, they said, also could be a signal for older leaders to step aside.

China is in the middle of a political and bureaucratic housecleaning and is trying to retire elderly, incompetent and politically resistant officials.

White unionist's death in jail kicks up furore in S. Africa

JOHANNESBURG (R) — The girlfriend of a white doctor who died last Friday while in police detention has been admitted to the psychiatric ward of a local hospital, relatives said Sunday.

Dr. Neil Aggett, 28, Transvaal secretary of the black Food and Canning Workers' Union, was found hanged in his cell at Johannesburg's John Vorster Square police headquarters. He was the first white to die while being held under South African security laws.

Dr. Liz Floyd, 26, his close companion for several years, was detained at the same time as Dr. Aggett last November in a police swoop on unionists, church leaders and students.

Relatives said she collapsed after being told of Dr. Aggett's death on Friday and was taken to hospital, where she is being held under police guard.

Like Dr. Aggett, she is being held under a section of the terrorism act which allows for detention without charge virtually indefinitely.

Protests are growing over the death of Dr. Aggett. Cape Town trade unionists have called a day of mourning later this week and protest meetings are planned for a number of cities.

Relatives were allowed brief visits to several other detainees at John Vorster Square Friday after calling for assurances about their health.

Dr. Aggett's parents said they had been allowed to visit their son only once during his 70 days in detention, for about 30 minutes on New Year's Eve.

Police have said Dr. Aggett apparently took his own life, but his family said they could not believe he would commit suicide.

Mrs. Gandhi's priorities cover most major issues

The following are major excerpts from a speech made recently by Indian Prime Minister Indira Gandhi outlining the priorities of her government.

OUR EFFORTS and concentration on repairing the infrastructure have made a visible difference and brought improvement. In the last nine months—

Power generation has gone up	by 11.1 per cent
Coal production	by 11.4 per cent
Saleable steel output	by 18.9 per cent
Nitrogenous fertiliser	by 54.9 per cent
Cement	by 15.9 per cent
Railway freight movement	by 15.5 per cent

Petroleum production has increased. Our oil technologists promise further gains. It has been a good year for crops in spite of the normal share of drought and flood.

After careful thought and discussion within government we have now prepared a new programme which I should like to share with you. Under this programme we propose to—

1. Increase irrigation potential develop and disseminate technologies and inputs for dry land agriculture.
2. Take special efforts to increase production of pulses and vegetable oil seeds.
3. Strengthen and expand coverage of integrated rural development and national rural employment programmes.
4. Implement agricultural land ceilings, distribute surplus land and complete completion of land records by removing all administrative and legal obstacles.
5. Review and effectively enforce minimum wages for agricultural labour.
6. Rehabilitate bonded labour.
7. Accelerate programmes for the development of scheduled castes and tribes.
8. Supply drinking water in all problem villages.
9. Allot house sites to rural families who are without them and expand programmes for construction assistance to them.
10. Improve the environment of slums, implement programmes of house-building for economically weaker sections, and take measures to arrest unwarranted increase in land prices.
11. Maximise power generation, improve the functioning of electricity authorities and electrify all villages.
12. Pursue vigorously programmes of afforestation, social and farm forestry and the development of bio-gas and other alternative energy sources.
13. Promote family planning on a voluntary basis as people's movement.
14. Substantially augment universal primary health care facilities, and control of leprosy, tuberculosis and blindness.
15. Accelerate programmes of welfare for women and children and nutrition programmes for pregnant women, nursing mothers and children, specially in tribal, hill and backward areas.
16. Spread universal elementary education for the age-group 6-14 with special emphasis on girls, and simultaneously involve students and voluntary agencies in programmes for the removal of adult illiteracy.
17. Expand the public distribution system through more fair price shops, including mobile shops in far-flung areas and shops to cater to industrial workers, students hostels, and make available to students for text books and exercise books on a priority basis and to promote a strong consumer protection movement.
18. Liberalise investment procedures and streamline industrial policies to ensure timely completion of projects. Give handicrafts, handlooms, small and village industries all facilities to grow and to update their technology.
19. Continue strict action against smugglers, hoarders and tax evaders and check black money.
20. Improve the working of the public enterprises by increasing efficiency, capacity utilisation and the generation of internal resources.

This agenda for the nation has been detailed in the overall plan of development. It pinpoints areas of special thrust which will show immediate tangible results for various segments.

U.S. pulls down shutters on Cuban immigration

By Dan Sewell
The Associated Press

MIAMI — The door flung open by the United States when Fidel Castro took power in Cuba 23 years ago has slammed shut.

With more than 800,000 Cuban exiles now in this country, the federal government has served notice that Cubans who wish to leave the Communist island 240 kilometres from here must wait their turn under rigid quotas.

Andres Rodriguez Hernandez, a 20-year-old stowaway, scrambled off a Panamanian freighter last week prepared to begin a new life.

Two days later, he was placed on a charter flight back to Havana the first Cuban sent back to that island nation since 1959.

As many as 5,000 members of Miami's Cuban exile community took to the streets last week in a protest sparked by the Hernandez case and another, similar incident. The demonstration finally was quelled by police, who used tear gas and jailed 34 Cuban-Americans on charges ranging from inciting a riot to assaulting a police officer.

Tensions and frustration remain high following the disturbance. Some officials say there is a realisation that the Rodriguez deportation was only the most clear-cut of recent indications that U.S. policy for Cuban immigration has changed.

"Cubans have grown accustomed to seeing Miami and the rest of the United States as the lifeboat they have traditionally climbed aboard. The deportation of Rodriguez Hernandez is symbolic of the end of an era," explained Roberto Fabricio, a Miami Herald columnist.

Although the great majority of this country's Cuban exiles arrived legally aboard the "freedom flights" of the late 1960s, officials estimate that as many as 10,000 Cubans came here the same way as young Rodriguez — without

documentation — and were welcomed with full refugee status and federal government assistance.

But the Refugee Act of 1980 — aimed at putting this country "in control of its own borders" — stated that merely fleeing a Communist country isn't sufficient grounds for political asylum. The refugee has to prove a "well-founded fear of political persecution." Quotas were established for all regions, including 3,000 political refugees in fiscal 1982 for Latin America.

Later that year, Mr. Castro made a shambles of the new law by

opening the port of Mariel to Cuban-Americans who wished to pick up their relatives. The Cuban government sent nearly 125,000 people — thousands directly from Cuban prisons — to the United States in the "freedom flotilla," then refused to take any of them back.

But 1981 brought strict enforcement of the refugee law. Only about 100 Cubans came to this country as legal immigrants, with several hundred other Cubans who were political prisoners admitted in a special category.

"In the past years we went out

of our way to admit Cuban refugees. But the law has made a very dramatic change," Phil Chicola of the State Department's bureau for refugee affairs said in an interview last month.

"We are not going to allow any large numbers of Cubans to come in as refugees any time in the near future. If they wish, they can apply to come in as immigrants."

Last year, U.S. authorities for the first time deported Cubans who came here illegally from a third country. They were sent back to the third country, such as Spain.

But the Rodriguez deportation brought the new Cuban policy into focus. The administration of President Ronald Reagan, under growing criticism from blacks and liberal leaders for holding all arriving Haitian refugees in refugee camps while seeking court approval to deport them, now faces anger from the Cuban community, too.

Observers say that U.S. officials may have misinterpreted negative reaction to the Mariel refugees from Cuban-Americans, thinking they would also accept the restricted immigration.



The American door was wide open for the thousands who arrived on "freedom flotilla" in early 1980 but now, the door has been slammed shut with not more loopholes to squeeze through (Gamma photo)